# LIBERTY SQUARE RISING

OPPORTUNITY LIVES HERE

Proposer: RUDG, LLC

Response to RFA No. 2015-01
"Best and Final Offer"

Developer Pool Pursuant to RFQ #794A, #794B and #794C
for Redevelopment of Liberty Square and Lincoln Gardens
*"Liberty Square Rising"*

Submitted on February 5th, 2016

Miami-Dade Public Housing and
Community Development Department (PHCD)
701 NW 1st Court, 16th Floor
Miami, Fl 33136
Attention: Procurement Section

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February 5, 2016

Indira Rajkumar-Futch
Miami Dade County
Public Housing and Community Development
Administrative / Procurement Division
701 NW 1st Court, 16th Floor
Miami, Fl. 33136

Re: BAFO for RFA No. 2015-01 for Liberty Square Rising

RUDG, LLC ("Related Urban") and our team of diverse community-based partners are honored and humbled to have been selected as a finalist for the redevelopment of the Liberty Square project, which represents a vitally important chapter of the deep and rich history of the African American community in Miami-Dade County.

In response to Miami-Dade County's request for a Best and Final Offer, Related Urban strives to accomplish what it has done many times before - to create a Public-Private Partnership that makes a positive impact on the residents that live in the community, while creating value for our public sector partners by effectively leveraging their resources. At Related Urban, we will never be satisfied with the status quo, and we will always strive to be the best in class.

With that goal in mind, we have enhanced our redevelopment plan for Liberty Square Rising, to secure a better financial return for Miami-Dade County and to build the most beneficial housing options and amenities consistent with the best interests of the residents of Liberty Square and the County.

Related Urban is committed to making the development of Liberty Square Rising an inclusive process where everyone will have an opportunity to voice their opinion, so together we can design and build the future of this community. We have met with many community stakeholders to gather their input and hear their concerns about the redevelopment. The overarching concern raised by many stakeholders has been relocation and how it will affect the families living in Liberty Square, specifically as it relates to public safety. To address the concerns of the community, we have revised our proposed development plan so that all of the existing families currently living at Liberty Square will remain on-site, during and after construction.

To further enhance the services that will be offered to the residents of Liberty Square Rising, we have secured additional commitments from several new community-based partners, which include the Alonzo Mourning Family Foundation, 100 Black Men of South Florida, Inc, Foundation for Sickle Cell Disease Research, The Vailon Group, Multi Ethnic Youth Group Association, Inc, Easter Seals, Casa Valentina, and Addonis Parker a world renowned urban artist who works with kids in the Liberty Square project.

Our original team of community-based partners are leaders in their fields and established within the community. The team consists of Miami-Dade College, Jessie Trice Community Health Center, Urban Construction Craft Academy, Martin Luther King, Jr. Institute for Non-Violence, Florida Memorial University, Miami Dade Public Defender's Office, Miami Children's Initiative, YMCA of South Florida, United Way of Miami-Dade, Academica, FIU College of Architecture and the Arts, UM School of Medicine and Public Health, UM School of Architecture, OneUnited Bank, Small Business Administration, Urgent, Inc. CDC, Haitian American CDC, Kareem T. Brantley, Relocation and Development Firm, Circle of One Marketing, Lesesne Media Group Entertainment, and History Miami.

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Related Urban has the experience and financial capacity to successfully transform this historic community. We have completed 788 units of public housing in Miami-Dade County and have received numerous accolades from the people who matter most, the existing residents. We are proud to have received letters from many of our residents, in which they describe how their lives were positively impacted by the work that we have done in partnership with Miami-Dade County. We are prepared to furnish copies of those letters upon request.

Related Urban looks forward to the opportunity to create our 10th successful public-private partnership with Miami-Dade County by developing Liberty Square Rising for the benefit of the residents of this historic community.

Sincerely,

Alberto Milo, Jr.
Principal / Senior Vice President

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**SECTION 3.10. DEVELOPMENT CONCEPT FOR DESIGNATED PROJECT**

A. Project Description (Items 1 through 11) (Items 10 & 11 as Attachments Included)

B. Smart Growth Development Approach

**3.10 Development Concept for Designated Project**

RUDG, LLC ("Related Urban") and our team of diverse community-based partners are honored and humbled to have been selected as a finalist for the redevelopment of the Liberty Square project, which represents a vitally important chapter of the deep and rich history of the African American community in Miami-Dade County.

Related Urban is committed to having an inclusive dialogue with the community, where we listen to all community stakeholders, and together unite around a common vision for the redevelopment of Liberty Square Rising. We have started the initial phase of that process and have met with many stakeholders to gather their opinions and listen to their concerns. There is a lot of anxiety built up within the community regarding the relocation of families and how their daily lives will be affected. There are concerns about where their children will attend school and how that will affect public safety. We have heard the initial concerns from the community and have revised our redevelopment plan for Liberty Square Rising to address those concerns.

Our enhanced redevelopment plan replaces the required 640 public housing units at Liberty Square in garden style apartments on-site, and keeps all families living at Liberty Square on-site during and after construction. Other than the initial 70 families, that will be temporarily relocated from Block 1 to the units we will rehab within Liberty Square, prior to starting construction of Phase 1B, all families will only be relocated once, to their new units. We are also proposing to build an additional 120 affordable elderly units, 224 affordable units, several of which will be reserved for Youth Aging out of Foster Care, 288 workforce housing units and 60 homeownership units. The plan also incorporates a new leading edge community center with WIFI, a community health facility, a sickle cell research facility, a K-2 charter school, the Alonzo Mourning Liberty City Youth Center, an Early Head Start and Head Start preschool, a school for children with learning disabilities, the Liberty Square Museum, a new community park with a multi-purpose field, a YMCA Family Center, an adult education center, a Community Educational Facility / Civic Center, retail space for "mom and pop" businesses and a full service grocery store. We will also invest in the infrastructure needed to provide free WIFI throughout the development for all residents.

The Internet will continue to be essential for access to healthcare, education, banking, jobs, research, business development, social services and all basic needs in the future. Academic research has shown that lower income urban areas similar to Liberty Square are falling further and further behind more affluent suburban areas due to the "Digital Divide", or lack of access to the Internet. In today's economy, access to the Internet is not a luxury but a necessity. However, for many lower income families the costs are still out of reach. That is why our plan will help to minimize the Digital Divide within Liberty Square Rising.

This investment in technology and access to the Internet will also be a key component to addressing the public safety concerns of the community. Today's state-of-the-art security systems all rely on the Internet for support, including security cameras that can be viewed online. These systems will allow us to implement programs with the residents of Liberty Square Rising and law enforcement agencies that will make the neighborhood safer for all.

In addition, our plan will provide an additional 105 new public housing units at the Lincoln Gardens site, along with an additional 111 affordable units. We will also provide $1,000,000 worth of upgrades to Bannerman Park and build the Alonzo Mourning Brownsville Youth Center within the park. The additional public housing units could be used to permanently relocate families from several of the Annie Coleman properties located directly across the street. The Related Urban plan will help PHCD modernize two public housing sites, instead of one, with the same amount of Miami-Dade County funding. More importantly, it allows all of the families to remain in their respective neighborhoods of Liberty City and Brownsville, which is a public safety issue that has been brought to our attention by several community stakeholders in our discussions with them.

This mix of income levels, demographics, commercial spaces, community and civic uses create the foundation that will ensure the long term viability of the community by achieving HUD's mission of deconcentrating poverty, along with the opportunity for upward mobility, by providing access to health care, education, technology and social services on-site.

The redevelopment of Liberty Square Rising will be a comprehensive team effort between the residents of Liberty Square, our community-based partners, Miami-Dade County ("PHCD"), Related Urban and other community stakeholders, which will serve as a model Public-Private Partnership for future public housing transformation efforts throughout the country.

Related Urban understands that in order to create long lasting change in this community, it is essential to extend the scope of the redevelopment effort beyond housing, creating the need to engage with community-based partners that can implement programs to support and strengthen families, along with having a mix of income levels and commercial uses within the redevelopment plan that will reinvigorate the entire neighborhood.

Related Urban has thoughtfully and strategically selected a team of community-based partners that are leaders in their fields and established within the community. The original team of community-based partners has been further enhanced to include the Alonzo Mourning Family Foundation, 100 Black Men of South Florida, Inc, Foundation for Sickle Cell Disease Research, Multi Ethnic Youth Group Association, Inc ("MEYGA"), Easter Seals, Casa Valentina, and Addonis Parker a world renowned urban artist who works with kids in the Liberty Square project.

The first step in the redevelopment process of Liberty Square Rising, will be to interact and engage with the residents through a series of resident meetings along with PHCD to discuss all aspects of the design and development process. This is a strategy that we have used successfully in the nine projects that we have developed in partnership with Miami-Dade County which creates a level of trust between the residents and our team.

The UM School of Architecture and the FIU College of Architecture and the Arts will spearhead the charrette process along with our A&E team. The input received from the residents will be used to establish the final designs, amenities and community programs that will create a common vision of all community stakeholders. The long term success of Liberty Square Rising will only be achievable if we gain the community's support from the beginning of the development process and we unite around a common vision.

This common vision will provide the framework for the community-based partners to work in unison, and to create programs without duplicating efforts, that will promote family self-sufficiency for the current and future residents of Liberty Square Rising. Specifically, the programs will address and promote early childhood education, primary and secondary education for children and youth, education for children with learning disabilities, housing for youth aging out of foster care, college degrees and certificate programs for adults, internet based learning, community based health care, job certification and training for ex-offenders, financial literacy classes, homeownership opportunities, job placement services and job fairs, non-violence training and community relations, interaction with law enforcement, youth mentoring programs, "mom and pop" business development, multigenerational enrichment, decent and quality affordable housing, healthy and safe neighborhoods, athletics, enrichment of community through the arts, cultural and civic activities and historic preservation.

Related Urban's objective is to have the residents of Liberty Square Rising participate in the rebuilding of their community; therefore, we commit to award a minimum of 50% of all subcontracted work to Section 3, MBE, or MWBE certified firms and small businesses. To help us meet this commitment we have brought on The Vailon Group, their President is Marsha E. Jackman, who was the Director of Business Development for Miami-Dade County for 12 years.

Job training and access to jobs will be an integral part of our redevelopment plan. During the predevelopment stage, we will introduce several job training initiatives for the residents of Liberty Square Rising and the greater Liberty City area. These programs will be coordinated by Miami Dade College's Carrie P. Meek Entrepreneurial Education Center, located just five blocks away from Liberty Square, along with the Urban Construction Craft Academy, the Martin Luther King, Jr Institute for Non-Violence, Traveling Angels Security, 50 State Security and the Relocation and Development Firm. A special emphasis will be placed on training and employing ex-offenders and residents living in zip codes 33142 and 33147 to help meet the goals of Employ Miami-Dade.

Miami-Dade County cannot afford to fail in this historic redevelopment effort. Related Urban has the unmatched financial strength, with over $100,000,000 in liquidity from our guarantor entity, to undertake a redevelopment plan of this magnitude. Related Urban has successfully partnered with PHCD to develop over 1,050 units. The Related Urban team is the most qualified and experienced team to partner with Miami-Dade County to redevelop Liberty Square Rising into two new and vibrant mixed-income, mixed-use communities that will help instill purpose, create opportunities for upward mobility and transform the lives of the residents of Liberty Square Rising.

**A)**

**1- Proposed total units-** 1,548 residential units

**2- Proposed number of public housing units-** 745 public housing units (640 at Liberty Square & 105 at Lincoln Gardens)

**3- Proposed number of new non-public housing units-** 803 new non-public housing units

**4- Affordability mixes-** 745 garden-style public housing units, 455 affordable tax credit units, 288 workforce housing units, 60 affordable, workforce and market rate homeownership units

**5- Range of dwelling unit types to be provided-**

a) 60 townhouse style units, 1008 garden style units (745 public housing and 263 affordable housing), 480 units in 5-story buildings (elderly, affordable and workforce housing)
b) 336 one bedroom units, 597 two bedroom units, 344 three bedroom units, 227 four bedroom units, 44 five bedroom units
c) Our proposed plan has 1,428 units designated as family units in the different phases
d) Our proposed plan has 120 designated elderly units
e) Our proposed plan for the Liberty Square site includes a leading edge community center with WIFI, a community park with multi-purpose field and the Liberty Square Museum. The Lincoln Gardens site will contain a community center with WIFI and $1,000,000 in upgrades to Bannerman Park. Each individual phase will contain a tot-lot, library, a computer lab, security cameras throughout the community, an outdoor green area, central air conditioning and washers / dryers in all units, cable connections in all units, Energy Star appliances and free WIFI throughout the community for all residents.
f) Each individual site will contain an on-site leasing and management office and a property maintenance facility
g) Our proposed plan also incorporates several Community Service Facilities at both sites. The Liberty Square site will contain a Jessie Trice Community Health Facility , a Sickle Cell Foundation clinical facility, the Alonzo Mourning Liberty City Youth Center, an Early Head Start and Head Start preschool, a school for children with learning disabilities, the Liberty Square Museum, a community park with a multi-purpose field, a YMCA Family Center, an Adult Educational Center, a Community Educational Center / Civic Center, retail space for "mom and pop" businesses and a full service grocery store. The Lincoln Gardens site will contain the Alonzo Mourning Brownsville Youth Center.

**6. Proposed rezoning by Proposer for the redevelopment of project**

Lincoln Gardens

The Lincoln Gardens site is wholly within the jurisdiction of Miami-Dade County. The property needs to be rezoned from its current RU-2 zoning to RU-4, to allow for the density necessary for the proposed redevelopment plan. The site's current Medium Density Comprehensive Plan Designation does not require a land use amendment. With the County's assistance we expect to complete the entire rezoning process within 5 months of BCC award.

Liberty Square

The Liberty Square site is located within the City of Miami's jurisdiction. The current zoning of T4-R allows for the residential uses proposed without any zoning approvals or modifications. We will commence the construction of Phase 1B "As of Right", without requiring any zoning modifications.

To allow for our intended commercial, educational and civic uses, we propose to rezone the property with a Special Area Plan (SAP), reserved in the City of Miami for parcels larger than 9 acres. The SAP allows for a flexible allocation of uses, density and intensity and is reviewed as a master plan by the City of Miami. The SAP process is limited to two cycles per year with the next available filing deadline in July 2016. The application would be reviewed by the City of Miami Commission for final approval. We expect to complete the SAP process for the site within 6 months of BCC award.

**7. Projected development schedule and timeline for the project**

RUDG will comply with the RFA requirements that request project completion within 60 months.

| Activity | Phase 1A | Phase 1B | Phase 2 | Phase 3A | Phase 3B | Phase 4A | Phase 4B | Phase 4C | Phase 4D | Phase 5 |
|---|---|---|---|---|---|---|---|---|---|---|
| Recommendation/ Negotiation/BCC Approval | Mar-16 - May-16 | Mar-16 - May-16 | Mar-16 - May-16 | Mar-16 - May-16 | Mar-16 - May-16 | Mar-16 - May-16 | Mar-16 - May-16 | Mar-16 - May-16 | Mar-16 - May-16 | Mar-16 - May-16 |
| Resident meetings, planning and charrettes | Mar 16- Jul-16 | Mar 16- Jul-16 | Mar 16- Jul-16 | Mar 16- Jul-16 | Mar 16- Jul-16 | Mar 16- Jul-16 | Mar 16- Jul-16 | Mar 16- Jul-16 | Mar 16- Jul-16 | Mar 16- Jul-16 |
| Rezoning/Site plan approval/SAP | Mar-16- Oct-16 | Mar-16- Aug-16 | Mar-16- Dec-16 | Mar-16- Dec-16 | Mar-16- Dec-16 | Mar-16- Dec-16 | Mar-16- Dec-16 | Mar-16- Dec-16 | Mar-16- Dec-16 | Mar-16- Dec-16 |
| Finalize Construction Docs | Jul-16- Dec-16 | Jul-16- Oct-16 | Jul-17- Oct-17 | Jul-18- Oct-18 | Jul-18- Oct-18 | Jul-19- Oct-19 | Jul-19- Oct-19 | Jul-19- Oct-19 | Jul-19- Oct-19 | Jul-19- Oct-19 |
| Permits /Financial Closing | Mar-17 | Jan-17 | Jan-18 | Jan-19 | Jan-19 | Jan-20 | Jan-20 | Jan-20 | Jan-20 | Jan-20 |
| Start Construction | Mar-17 | Jan-17 | Jan-18 | Jan-19 | Jan-19 | Jan-20 | Jan-20 | Jan-20 | Jan-20 | Jan-20 |
| Marketing/Lease-Up | Nov-17- Feb-17 | Sep-17- Dec-17 | Sep-18- Dec-18 | Sep-19- Dec-19 | Sep-19- Dec-19 | Sep-20- Dec-20 | Dec-20- Apr-21 | Dec-20- Mar-21 | Dec-20- Mar-21 | Dec-20- Mar-21 |
| Complete Construction | Feb-18 | Dec-17 | Dec-18 | Dec-19 | Dec-19 | Dec-20 | Apr-21 | Apr-21 | Apr-21 | Apr-21 |
| Relocation | Dec-17- Feb-18 | Oct-17- Dec-17 | Oct-18- Dec-18 | Oct-19- Dec-19 | Oct-19- Dec-19 | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable |

**8. Proposed plan of action to accomplish the proposed development concept including completion requirements**

Since 2012, Related Urban has successfully relocated over 800 public housing residents as part of their redevelopment plan for several projects. We adhere to all HUD requirements regarding relocation including but not limited to the Uniform Relocation Act. The residents do not pay for any relocation expenses, they are included in our development budgets.

PHCD has requested that the first phase of development should be Lincoln Gardens to accommodate the first wave of residents from Liberty Square, which RUDG is prepared to do; however, we have revised our development plan to allow for all Liberty Square residents to remain on-site without having to move to Lincoln Gardens at all, while still meeting the RFA requirements of developing Lincoln Gardens first, as Phase 1A. If PHCD deems it in their best interest, we will relocate 105 families from the Annie Coleman public housing projects located across the street into Lincoln Gardens.

Prior to starting construction, we will rehabilitate the 70 or so vacant units at Liberty Square. These units will be used to temporarily relocate the residents from Block 1. Upon completion of Phase 1B, we will relocate residents from Blocks 2, 4, and a portion of Block 7 into Phase 1B. See attached phasing plan.

Upon completion of Phase 2, we will relocate the remaining residents from Block 7, all of the residents in Block 8 and a portion of Block 5 into Phase 2. See attached phasing plan.

Upon completion of Phases 3A and 3B, we will relocate all remaining residents from Block 5, and all of the residents in Blocks 3, 6, 9, and 1 into Phases 3A and 3B. See attached phasing plan.

Related Urban is proposing to build Phases 1A thru 3B and relocate all 640 residents of Liberty Square Rising and 105 residents from Annie Coleman within 43 months from the BCC Approval of RFA. This would be the most appropriate and beneficial approach, since it would allow all public housing residents to remain in their respective neighborhoods.

**9. Strategy to obtain and apply resident input to the design and development of new project**

Related Urban has partnered with and secured the commitment of two local universities to coordinate the community charrette process with the residents. The FIU College of Architecture and the Arts and the UM School of Architecture will both help organize the charrettes to gather the input of the residents of Liberty Square Rising. The input gathered from the residents will be used to finalize the overall design concepts, unit types, amenities, public spaces, and community service facilities for the development. Both universities have extensive experience coordinating and implementing these types of charrettes.

We have assembled a diverse architectural and engineering team, including several minority-owned firms, consisting of Architects Unlimited, MODIS architects, SR Architects, EAC Consulting, PHS Group and EBS Engineering. The A&E team has experience developing mixed-income, mixed-use affordable housing communities with a public housing component. Architects Unlimited will take the lead during the charrette process. The firm has been involved in Public Housing Development, Redevelopment and Community Revitalization for more than 25 years. The firm provides master planning, strategic planning, community involvement facilitation, program management and architectural design services to the public and affordable housing industry throughout the country. The firm has recently worked on Uptown in Memphis, TN which had three community revitalization engagements that are similar in complexity and size to Liberty Square Rising.

Our proposed plan for the amenities is as follows:

a) All facilities will remain active until the new facilities are built. No facilities will be rehabilitated.
b) All facilities will be replaced with new facilities, including the Easter Seals Early Head Start and Head Start pre-school and the MEYGA School for children with learning disabilities.
c) We intend on building several new facilities that don't exist today, including a Community Health Center, a Sickle Cell Disease Foundation Center, the Alonzo Mourning Liberty City Youth Center, the Alonzo Mourning Brownsville Youth Center, a YMCA Family Center, an Adult Educational Center, a Community Educational Center / Civic Center, a Community Park and the Liberty Square Museum. These amenities will greatly benefit the residents of Liberty Square Rising by offering quality health care, educational opportunities for all ages, job training, job fairs, after school programs, athletics, intergenerational family programs, cultural activities and historic preservation on-site.

**10. See attached schematic design site plan and conceptual rendering**
**11. See attached conceptual phasing site plan**

**B) Smart Growth development approach being implemented**

The proposed redevelopment plan, becomes a community of compact neighborhoods in which residents can easily access employment, services and recreational opportunities. Through the Smarter Growth Development concept, we will be providing a diversity of services and amenities near mixed residential areas which encourage residents to walk, cycle and also have easy access to public transit, making Liberty Square Rising a "sustainable" and "green" development.

The underlining goal of the new Liberty Square Rising development is to be an essential part of the City's future by creating a new urban environment which will influence social well-being, economic strength, and environmental conditions. In all, creating a diverse and sustainable development that will help achieve an increased quality of life for its residents and address the long term goals of the local community. Our redevelopment of Liberty Square Rising incorporates a variety of strategies established through the "Smarter Growth Development" principles. We have incorporated these principles to address urban design, housing, economic, security, accessibility and place-making issues.

Providing accessibility was the main focus of the overall development plan. Our intent is to provide a compact mixed use development which will reduce distances for the residents. It will help increase transportation choices like walking and cycling and increase the accessibility to public transit. Creating a more compact and diverse use community allows for the residents to have easier access to work, shopping, recreation and services which are vital to their everyday needs. As part of this concept we have provided commercial density along NW 62$^{nd}$ street offering retail, grocery, medical services, schooling and social services within walking distance to all residents.

A second component to our accessibility principle was to incorporate recreational amenities into the neighborhood fabric, making these facilities a central focus of the community. This will provide endless opportunities for the neighborhood children and youth to participate in sports and community based activities, while providing adults and senior citizens with family recreational activities and wellness activities. Finally, a key component to accessibility is to provide the residents a variety of transit options throughout the development and providing a safe and weather conscience environment by which the residents will feel encouraged to use the transit services provided.

The Liberty Square Rising redevelopment plan creates a range of housing environments which not only enhances the compact mixed use development principle but more importantly, is vital in the creation of a diversified neighborhood environment. This allows for the expanding of housing choices for different age groups, incomes and household sizes; allowing people and families to remain in the same neighborhood through different life stages. Our development incorporates mid-rise concepts and lower scale garden style housing. The garden style housing will also provide for families to move from public housing to affordable housing as their income increases. Finally we have developed low scale town house areas which complement the surrounding neighborhood fabric and will provide home ownership opportunities. The variety of housing will address the future neighborhood needs and economic growth.

Our primary goal during the planning process was to create a place where people want to live; a neighborhood that is lively and an attractive, urban live/work/play environment. This neighborhood needs to provide adequate amenities, respect the community character and historic features. In redeveloping the masterplan for the development we have incorporated physical features which will create art plazas as round-abouts between existing streets, landscaped medians which will assist in reducing speed and traffic controlling features and providing safe areas at pedestrian crossings.

**SECTION 3.10. A) ATTACHMENT**

Item 10 – Schematic Design Site Plan and a Conceptual Rendering

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# "LIBERTY SQUARE RISING"

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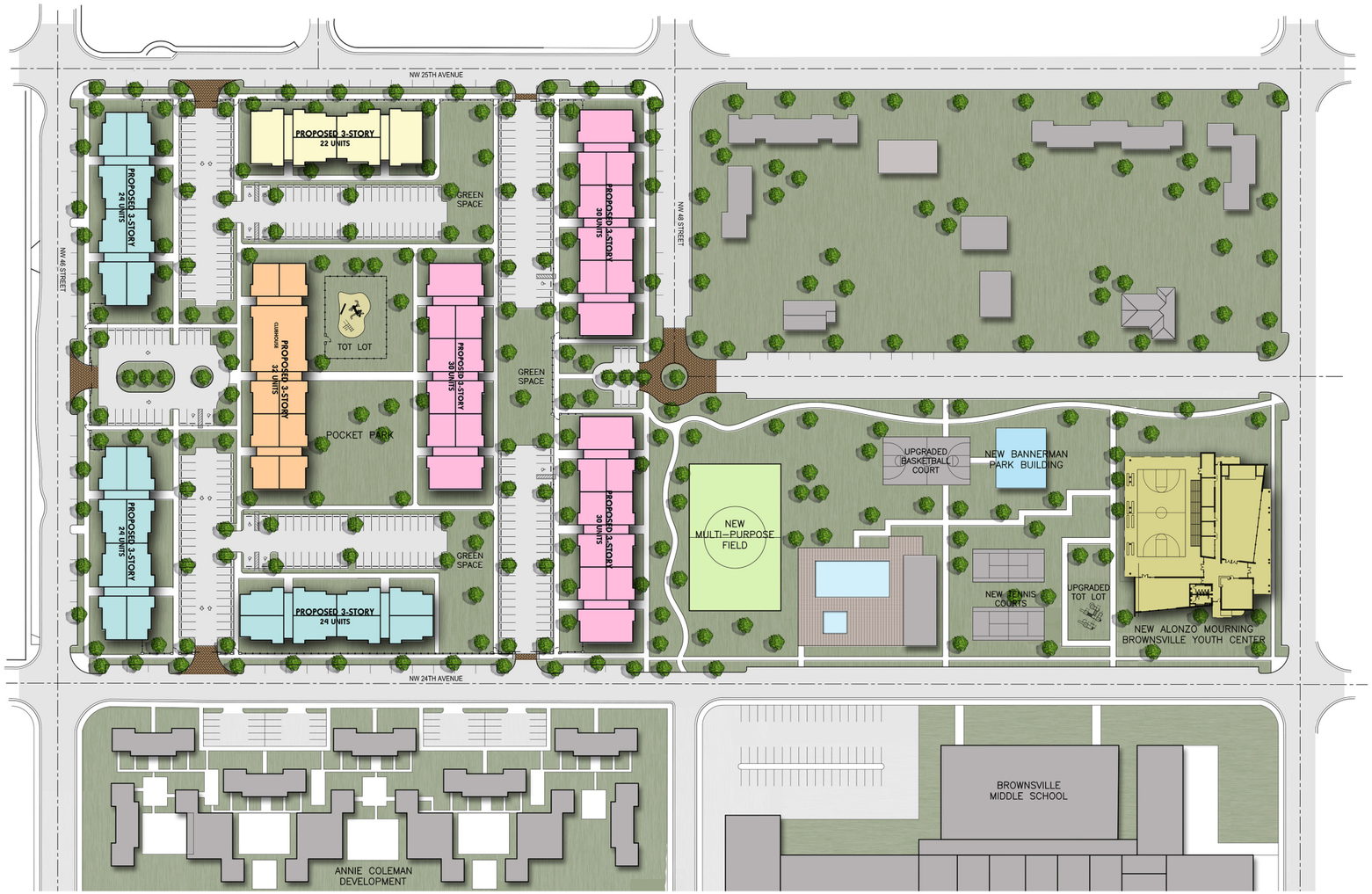


SITE PLAN (PHASE 1A)

## **PHASE 1A** TABULATION

Total units: 216
Public Housing Units: 105
Affordable Housing Units: 111

| | |
|---|---|
| 3 BEDROOMS | 127 UNITS |
| 4 BEDROOMS | 89 UNITS |
| **TOTAL** | **216 UNITS** |

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# PHASE 1A - PUBLIC & AFFORDABLE HOUSING GARDEN STYLE AT LINCOLN GARDENS

**OVERALL SITE PLAN & TABULATIONS**

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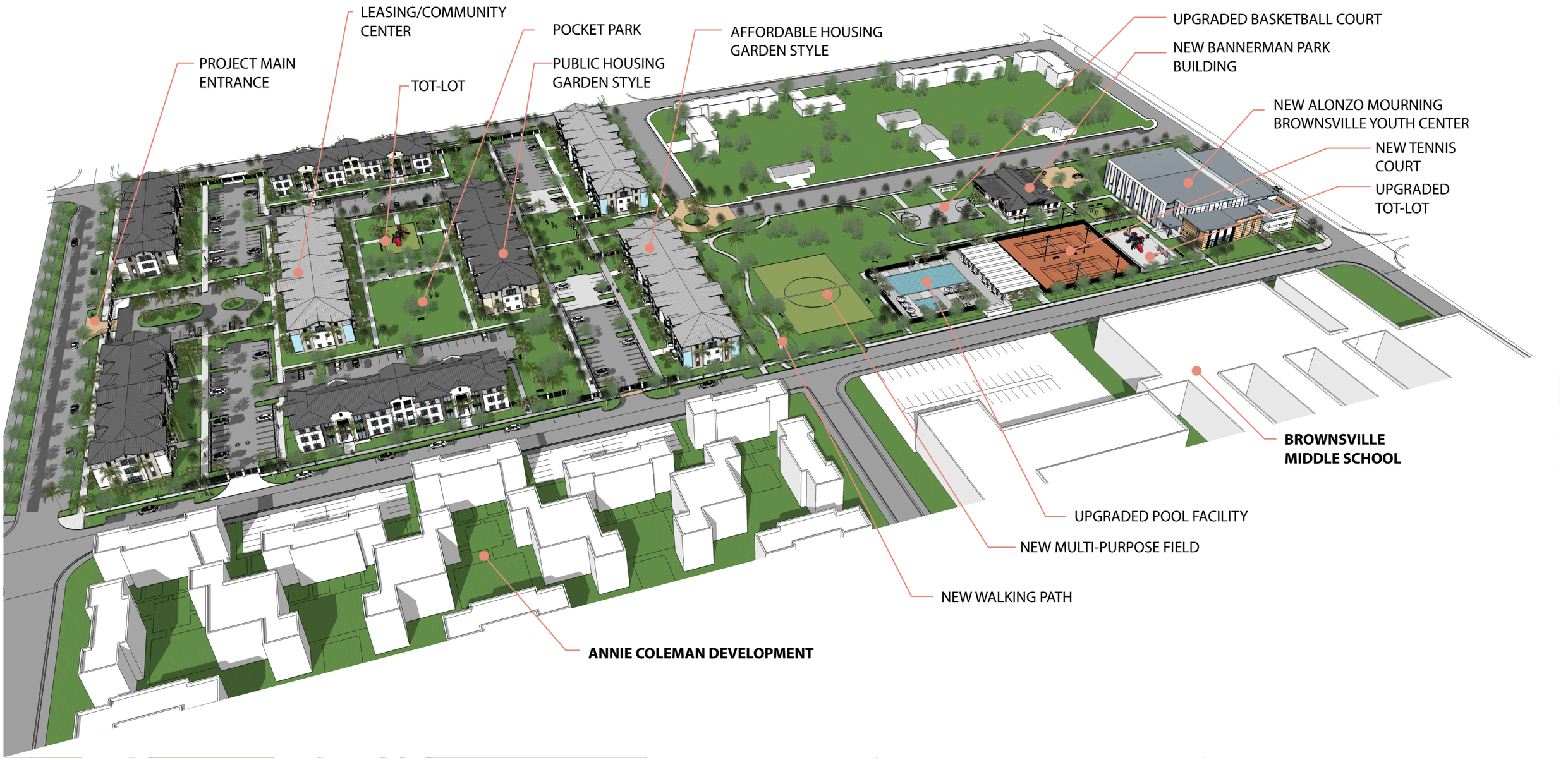


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# PHASE 1A - PUBLIC & AFFORDABLE HOUSING GARDEN STYLE AT LINCOLN GARDENS

## OVERALL CONCEPTUAL SITE PLAN

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# PHASE 1A - PUBLIC & AFFORDABLE HOUSING GARDEN STYLE AT LINCOLN GARDENS

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# PHASE 1A - PUBLIC & AFFORDABLE HOUSING GARDEN STYLE AT LINCOLN GARDENS

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# PHASE 1A - PUBLIC & AFFORDABLE HOUSING GARDEN STYLE AT LINCOLN GARDENS

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# PHASE 1A - PUBLIC & AFFORDABLE HOUSING GARDEN STYLE AT LINCOLN GARDENS

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# PHASE 1A - PUBLIC & AFFORDABLE HOUSING GARDEN STYLE AT LINCOLN GARDENS

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# PHASE 1A - PUBLIC & AFFORDABLE HOUSING GARDEN STYLE AT LINCOLN GARDENS

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# PHASE 1A - BROWNSVILLE YOUTH CENTER
# MOURNING FAMILY FOUNDATION
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# LIBERTY SQUARE
## OVERALL SITE PLAN

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# LIBERTY SQUARE
## OVERALL 3D SITE PLAN

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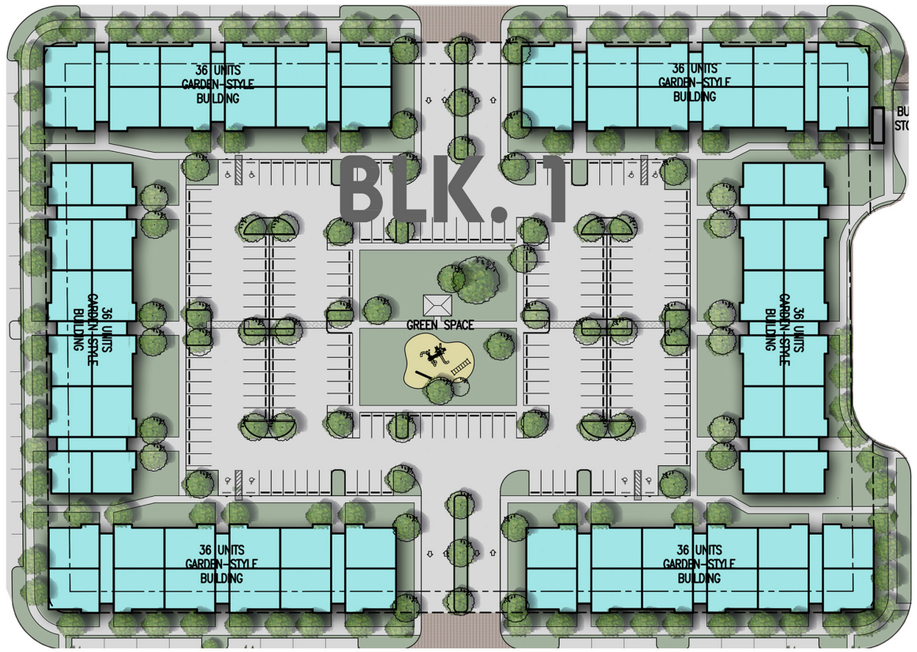
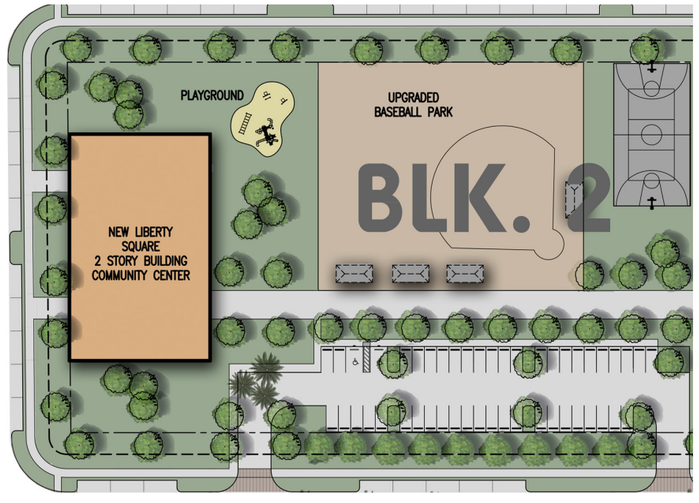
Miami, FL

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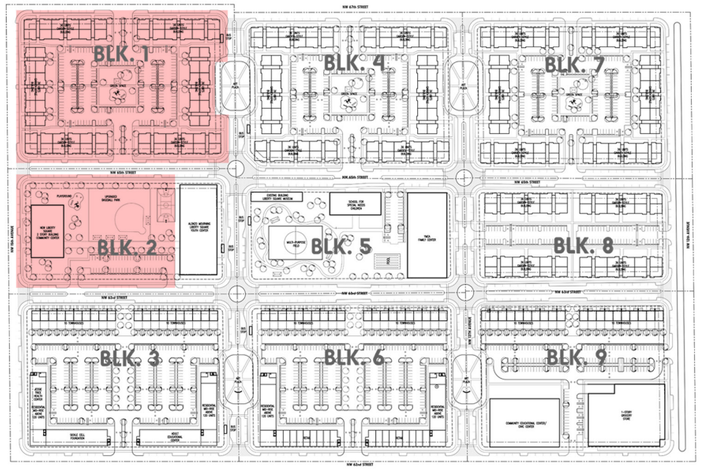
SITE PLAN (PHASE 1B) BLK.1 / BLK. 2




KEY PLAN

## **PHASE 1B** TABULATION

Total units: 216
Public Housing Units: 180
Affordable Housing Units: 36

| | |
|---|---|
| 1 BEDROOMS | 9 UNITS |
| 2 BEDROOMS | 120 UNITS |
| 3 BEDROOMS | 39 UNITS |
| 4 BEDROOMS | 42 UNITS |
| 5 BEDROOMS | 6 UNITS |
| **TOTAL** | **216 UNITS** |

RELATED URBAN
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Architects Unlimited AU

# PHASE 1B - PUBLIC & AFFORDABLE HOUSING GARDEN STYLE BUILDINGS & LIBERTY SQUARE COMMUNITY CENTER

**OVERALL SITE PLAN & TABULATIONS**

*LIBERTY SQUARE RISING*
Miami, FL

RELATED URBAN

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Architects Unlimited AU

# PHASE 1B - PUBLIC & AFFORDABLE HOUSING
# GARDEN STYLE BUILDINGS
## CONCEPTUAL RENDERINGS

*LIBERTY SQUARE RISING*
Miami, FL

RELATED URBAN

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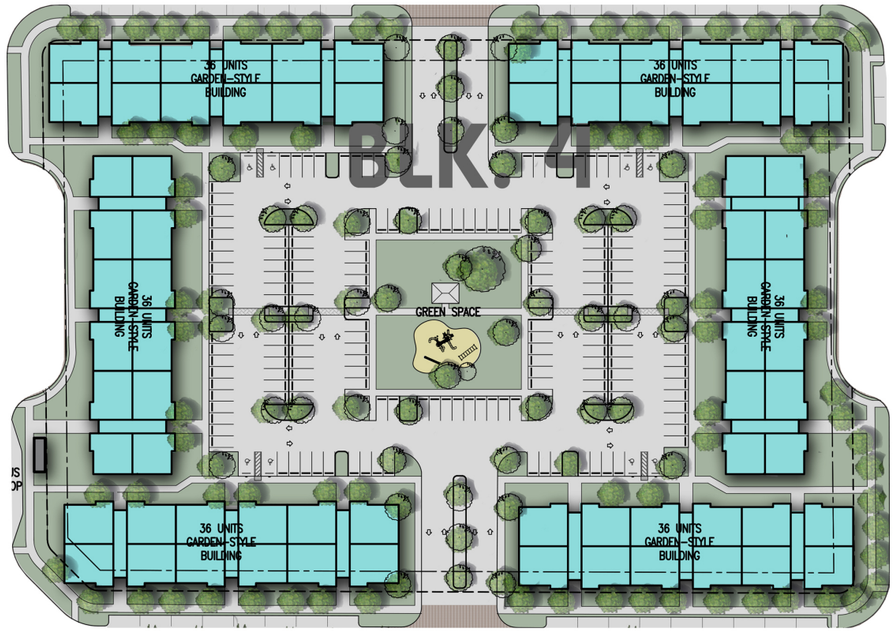
# PHASE 1B - LIBERTY SQUARE COMMUNITY CENTER.

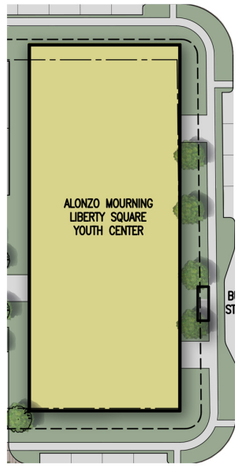
## CONCEPTUAL RENDERINGS

*LIBERTY SQUARE RISING*

Miami, FL

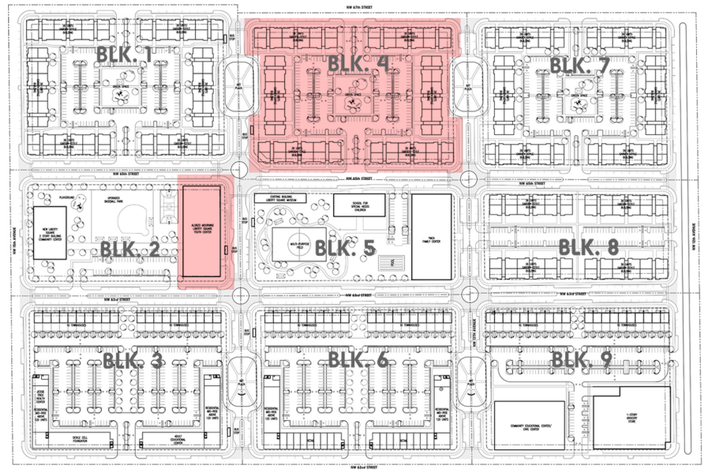



BLK. 4




BLK. 2

SITE PLAN (PHASE 2) BLK. 2 / BLK.4




KEY PLAN

## **PHASE 2** TABULATION

Total units: 216
Public Housing Units: 180
Affordable Housing Units: 36

| | |
|---|---|
| 1 BEDROOMS | 22 UNITS |
| 2 BEDROOMS | 111 UNITS |
| 3 BEDROOMS | 34 UNITS |
| 4 BEDROOMS | 28 UNITS |
| 5 BEDROOMS | 21 UNITS |
| **TOTAL** | **216 UNITS** |

RELATED URBAN
modis architects
Architects Unlimited AU

# PHASE 2 - PUBLIC & AFFORDABLE HOUSING GARDEN STYLE BUILDINGS & ALONZO MOURNING YOUTH CENTER.

**OVERALL SITE PLAN & TABULATIONS**

*LIBERTY SQUARE RISING*
Miami, FL

RELATED URBAN

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Architects Unlimited AU

# PHASE 2 - PUBLIC & AFFORDABLE HOUSING
# GARDEN STYLE BUILDINGS
## CONCEPTUAL RENDERINGS

*LIBERTY SQUARE RISING*

Miami, FL

RELATED URBAN

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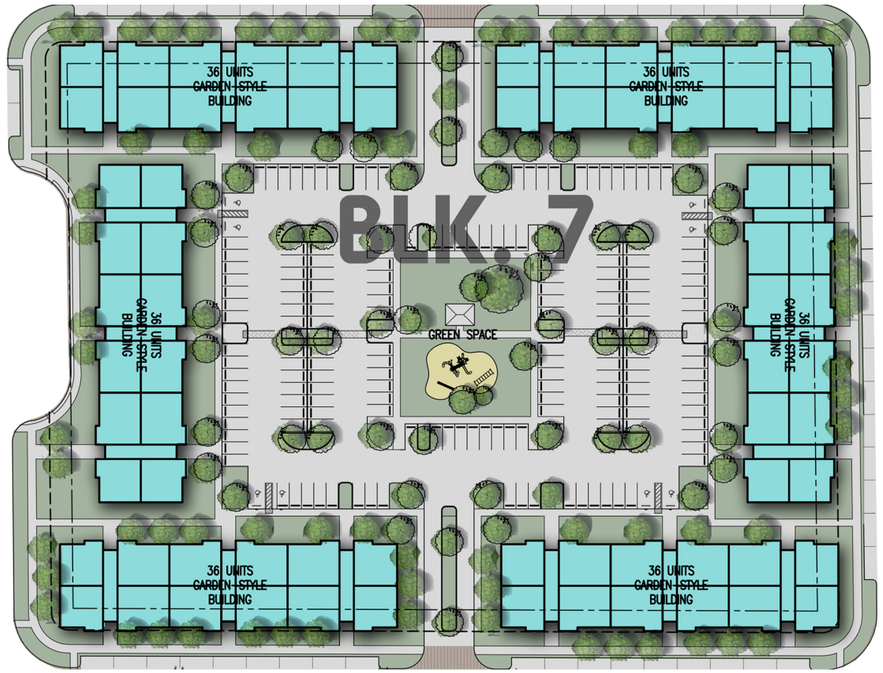
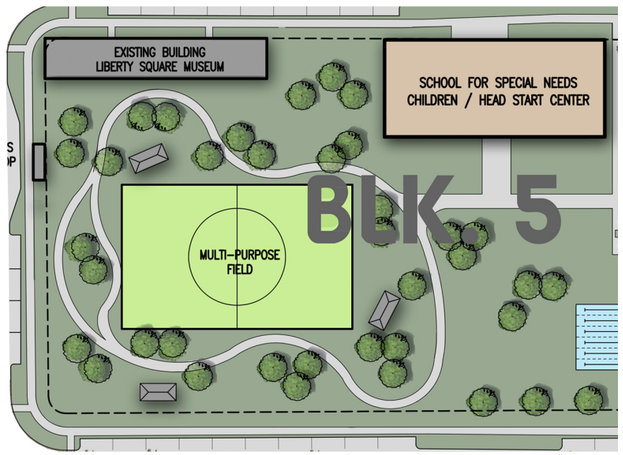
# PHASE 2 - ALONZO MOURNING LIBERTY SQUARE YOUTH CENTER

## CONCEPTUAL RENDERINGS

*LIBERTY SQUARE RISING*

Miami, FL

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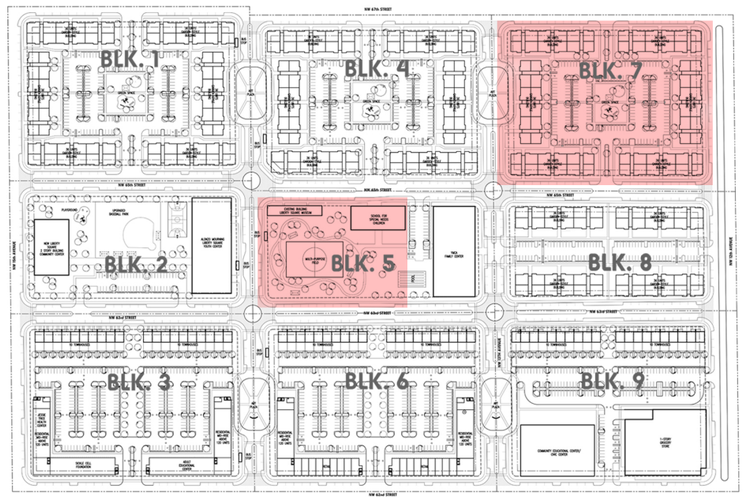
SITE PLAN (PHASE 3A) BLK. 5 / BLK.7




KEY PLAN

## **PHASE 3A** TABULATION

Total units: 216
Public Housing Units: 176
Affordable Housing Units: 40

| | |
|---|---|
| 1 BEDROOMS | 21 UNITS |
| 2 BEDROOMS | 94 UNITS |
| 3 BEDROOMS | 59 UNITS |
| 4 BEDROOMS | 40 UNITS |
| 5 BEDROOMS | 2 UNITS |
| **TOTAL** | **216 UNITS** |

RELATED URBAN
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# PHASE 3A - PUBLIC & AFFORDABLE HOUSING GARDEN STYLE
## SCHOOL FOR SPECIAL NEEDS CHILDREN / HEAD START CENTER & MUSEUM
### OVERALL SITE PLAN & TABULATIONS

*LIBERTY SQUARE RISING*
Miami, FL

RELATED URBAN

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Architects Unlimited AU

# PHASE 3A - PUBLIC & AFFORDABLE HOUSING
# GARDEN STYLE BUILDINGS
## CONCEPTUAL RENDERINGS

*LIBERTY SQUARE RISING*
Miami, FL

RELATED URBAN

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# PHASE 3A - SCHOOL FOR SPECIAL NEEDS CHILDREN / HEAD START CENTER

## CONCEPTUAL RENDERINGS

*LIBERTY SQUARE RISING*

Miami, FL

RELATED URBAN

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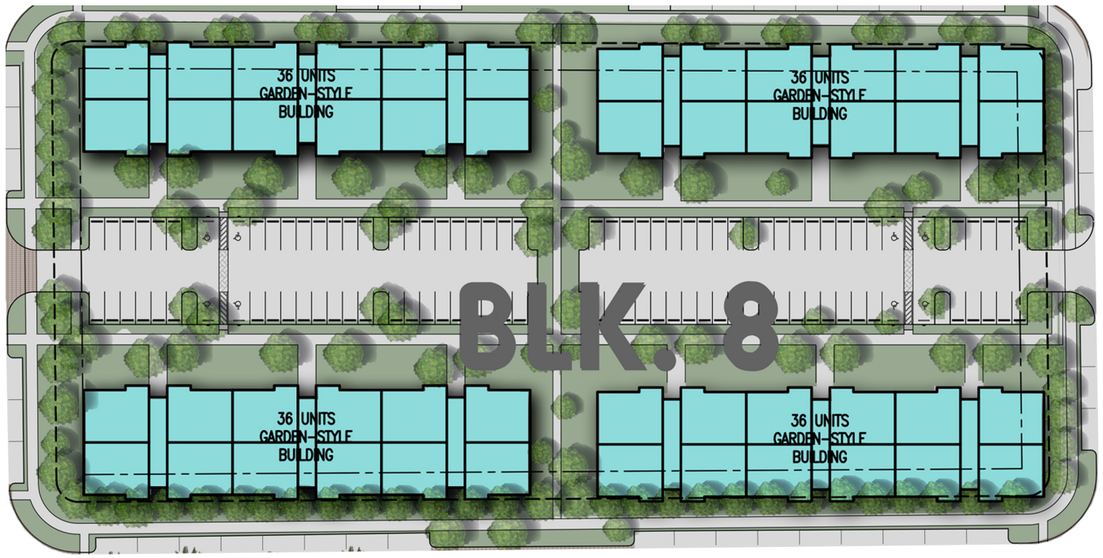
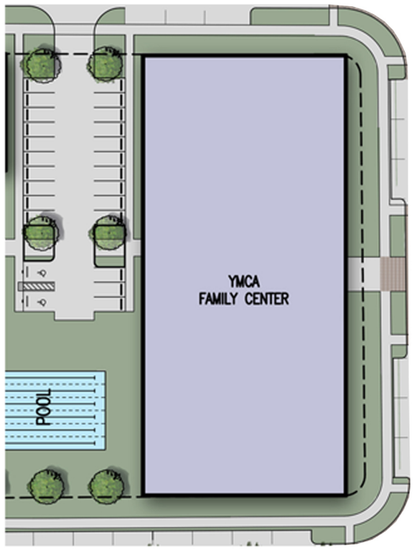
# PHASE 3A - LIBERTY SQUARE MUSEUM

## CONCEPTUAL RENDERINGS

*LIBERTY SQUARE RISING*

Miami, FL

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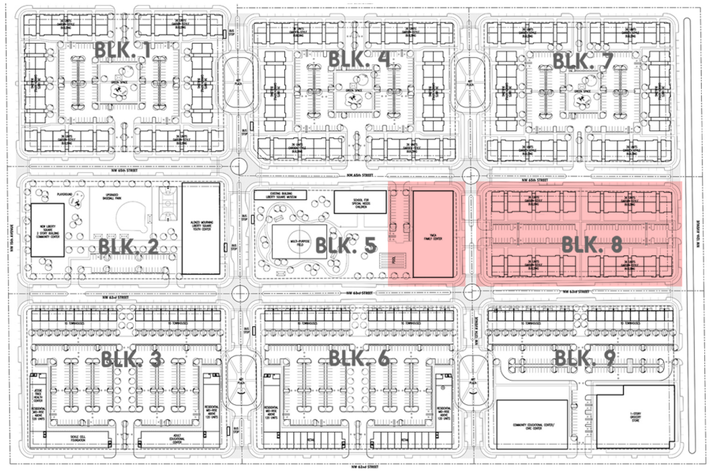
SITE PLAN (PHASE 3B) BLK. 5 / BLK.8




KEY PLAN

## **PHASE 3B** TABULATION

Total units: 144
Public Housing Units: 104
Affordable Housing Units: 40

| | |
|---|---|
| 1 BEDROOMS | 14 UNITS |
| 2 BEDROOMS | 62 UNITS |
| 3 BEDROOMS | 25 UNITS |
| 4 BEDROOMS | 28 UNITS |
| 5 BEDROOMS | 15 UNITS |
| **TOTAL** | **144 UNITS** |

RELATED URBAN
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Architects Unlimited AU

# PHASE 3B - PUBLIC & AFFORDABLE HOUSING, GARDEN STYLE BUILDINGS & YMCA FAMILY CENTER

**OVERALL SITE PLAN & TABULATIONS**

*LIBERTY SQUARE RISING*
Miami, FL

RELATED URBAN

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# PHASE 3B - PUBLIC & AFFORDABLE HOUSING, GARDEN STYLE BUILDINGS

## CONCEPTUAL RENDERINGS

*LIBERTY SQUARE RISING*

Miami, FL

RELATED URBAN

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# PHASE 3B - YMCA FAMILY CENTER

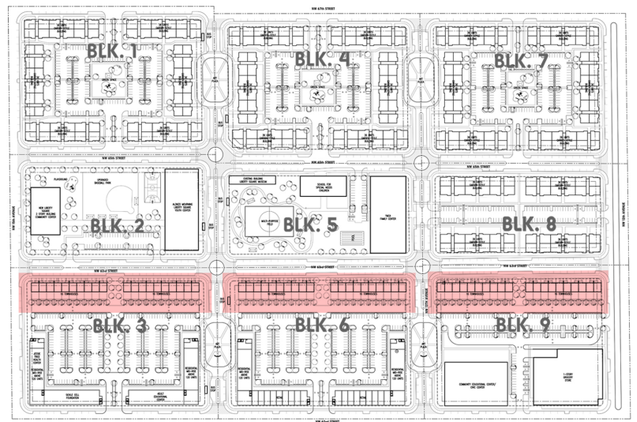
## CONCEPTUAL RENDERINGS

*LIBERTY SQUARE RISING*

Miami, FL

N

SITE PLAN (PHASE 4A) BLK. 3 / BLK.6 / BLK. 9




KEY PLAN

**PHASE 4A** TABULATION

Total units: 60
Townhouses: 60

| | |
|---|---|
| 3 BEDROOMS | 60 UNITS |
| **TOTAL** | **60 UNITS** |

RELATED URBAN

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Architects Unlimited AU

# PHASE 4A - HOME OWNERSHIP TOWNHOUSES

**OVERALL SITE PLAN & TABULATIONS**

*LIBERTY SQUARE RISING*

Miami, FL

RELATED URBAN

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# PHASE 4A - HOME OWNERSHIP TOWNHOUSE

## CONCEPTUAL RENDERINGS

*LIBERTY SQUARE RISING*

Miami, FL

RELATED URBAN

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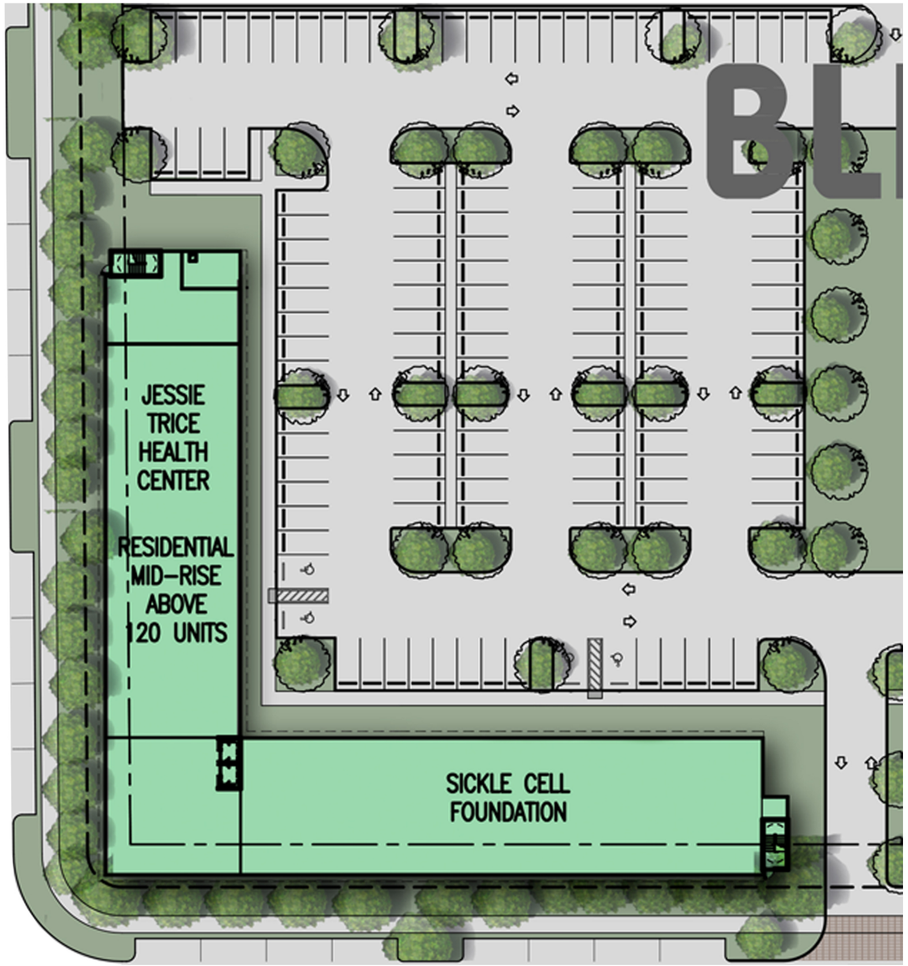
# PHASE 4A - HOME OWNERSHIP TOWNHOUSE

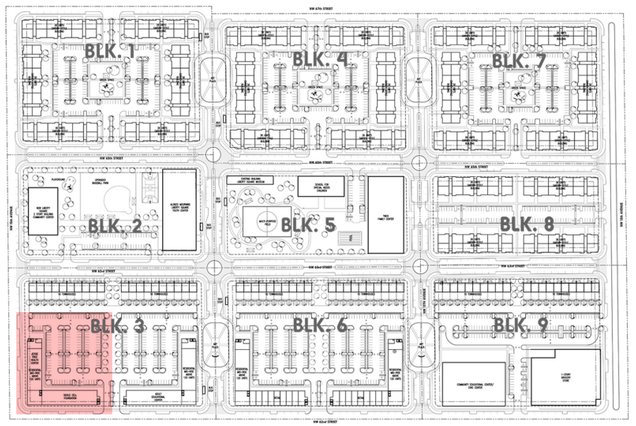
## CONCEPTUAL RENDERINGS

*LIBERTY SQUARE RISING*

Miami, FL




SITE PLAN (PHASE 4B) BLK. 3




KEY PLAN

**PHASE 4B** TABULATION

Total units: 120
Affordable Housing Units: 120

| | |
|---|---|
| 1 BEDROOMS | 90 UNITS |
| 2 BEDROOMS | 30 UNITS |
| **TOTAL** | 120 **UNITS** |

RELATED URBAN
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# PHASE 4B - ELDERLY AFFORDABLE, 5 STORY APARTMENTS.

**OVERALL SITE PLAN & TABULATIONS**

*LIBERTY SQUARE RISING*
Miami, FL

RELATED URBAN

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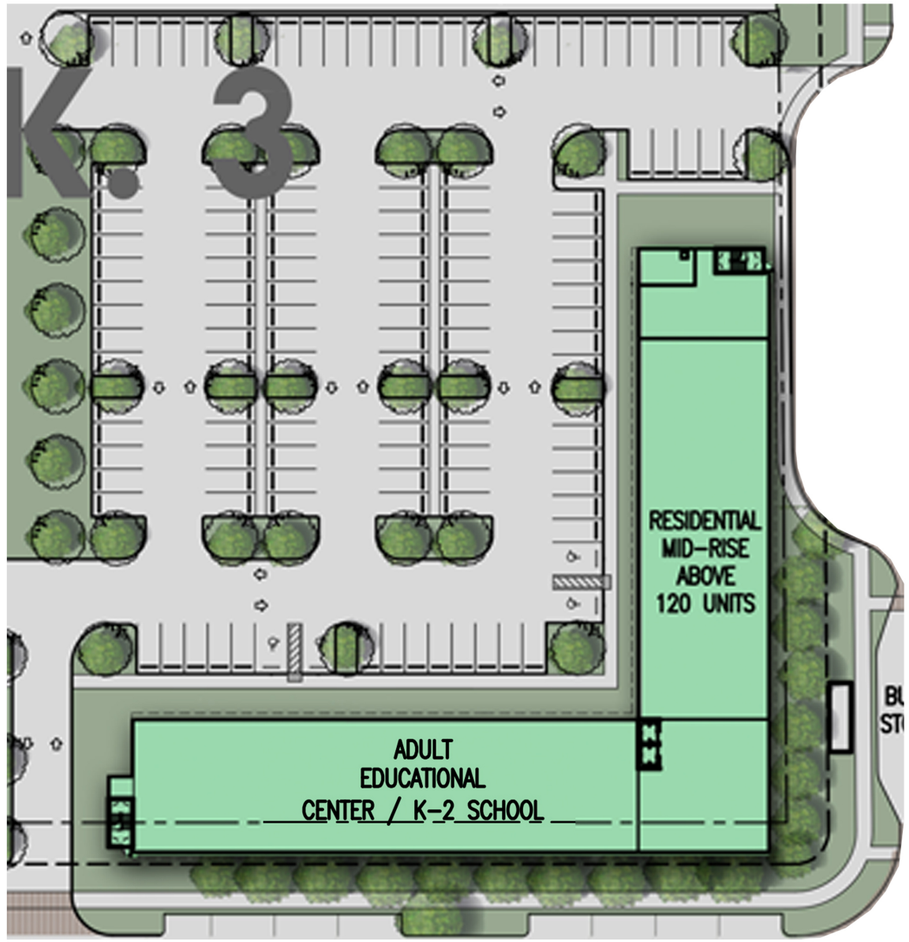
# PHASE 4B - ELDERLY AFFORDABLE, 5 STORY APARTMENTS.

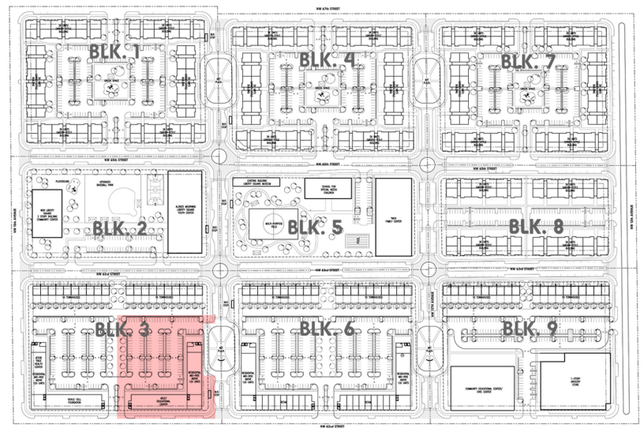
## CONCEPTUAL RENDERINGS

*LIBERTY SQUARE RISING*

Miami, FL




SITE PLAN (PHASE 4C) BLK. 3




KEY PLAN

## **PHASE 4C** TABULATION

Total units: 120
Affordable Housing Units: 24
Workforce Housing Units: 96

| | |
|---|---|
| 1 BEDROOMS | 60 UNITS |
| 2 BEDROOMS | 60 UNITS |
| **TOTAL** | **120 UNITS** |

RELATED URBAN
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Architects Unlimited AU

# PHASE 4C - AFFORDABLE & WORKFORCE HOUSING, 5 STORY APARTMENTS.

**OVERALL SITE PLAN & TABULATIONS**

*LIBERTY SQUARE RISING*
Miami, FL

RELATED URBAN

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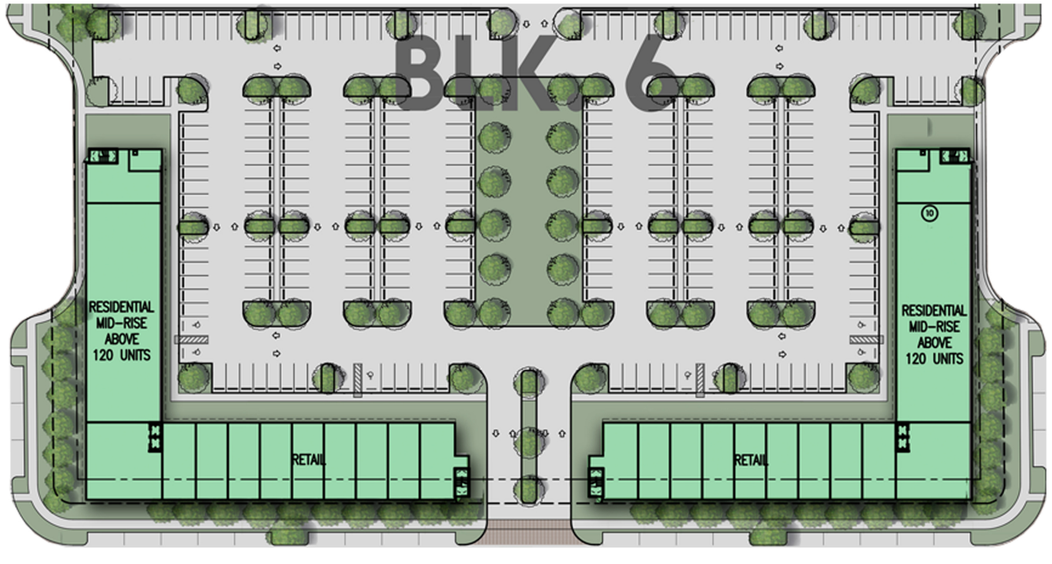
Architects Unlimited AU

# PHASE 4C - AFFORDABLE & WORKFORCE HOUSING, 5 STORY APARTMENTS.

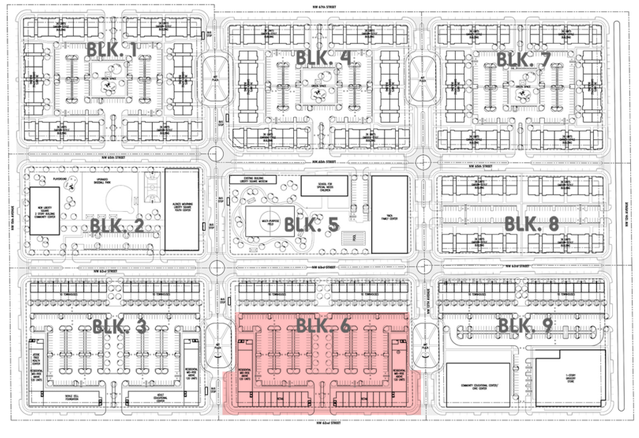
## CONCEPTUAL RENDERINGS

*LIBERTY SQUARE RISING*

Miami, FL




SITE PLAN (PHASE 4D) BLK. 6




KEY PLAN

**PHASE 4D** TABULATION

Total units: 240
Affordable Housing Units: 48
Workforce Housing Units: 192

| | |
|---|---|
| 1 BEDROOMS | 120 UNITS |
| 2 BEDROOMS | 120 UNITS |
| **TOTAL** | **240 UNITS** |

RELATED URBAN
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# PHASE 4D - AFFORDABLE & WORFORCE HOUSING, 5 STORY APARTMENTS.

**OVERALL SITE PLAN & TABULATIONS**

*LIBERTY SQUARE RISING*
Miami, FL

RELATED URBAN

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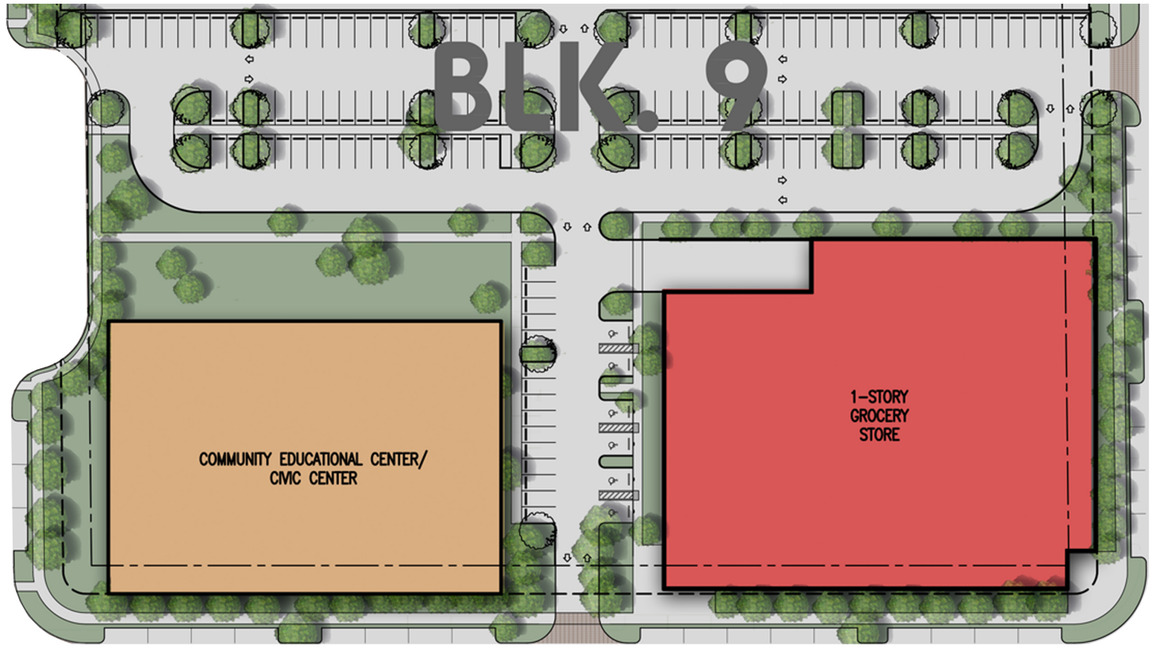
# PHASE 4D - AFFORDABLE & WORFORCE HOUSING, 5 STORY APARTMENTS.

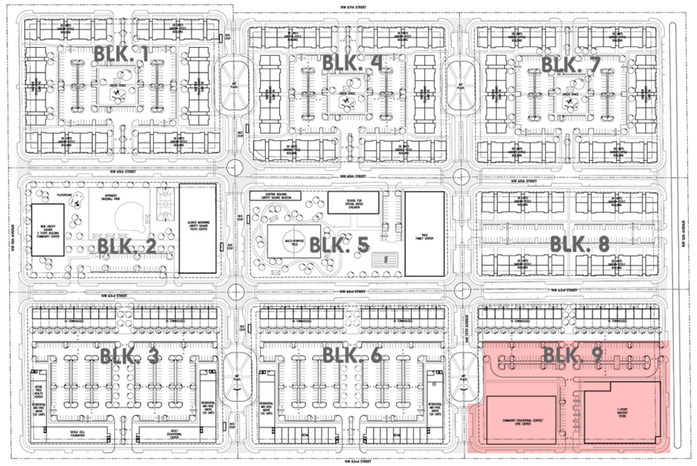
## CONCEPTUAL RENDERINGS

*LIBERTY SQUARE RISING*

Miami, FL




SITE PLAN (PHASE 5) BLK. 9




KEY PLAN

## **PHASE 5** TABULATION

Community Educational Center
1-Story Grocery Store

RELATED URBAN
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Architects Unlimited AU

# PHASE 5 - COMMUNITY EDUCATIONAL CENTER / CIVIC CENTER & 1-STORY GROCERY STORE.

**OVERALL SITE PLAN & TABULATIONS**

*LIBERTY SQUARE RISING*
Miami, FL

RELATED URBAN

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# PHASE 5 - COMMUNITY EDUCATIONAL CENTER/ CIVIC CENTER

## CONCEPTUAL RENDERINGS

*LIBERTY SQUARE RISING*

Miami, FL

RELATED URBAN

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Architects Unlimited AU

# PHASE 5 - GROCERY STORE.

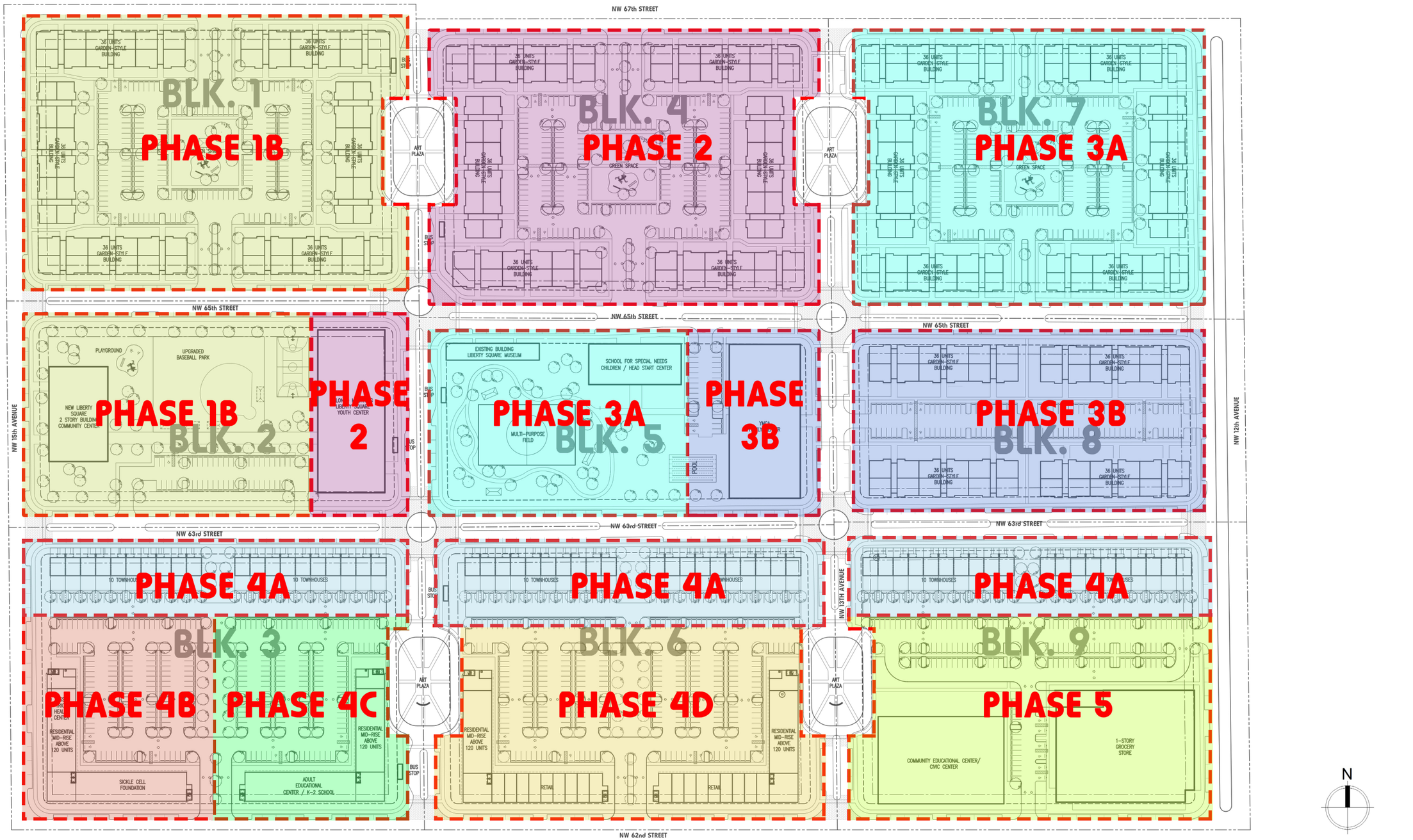
## CONCEPTUAL RENDERINGS

*LIBERTY SQUARE RISING*

Miami, FL

**SECTION 3.10. A) ATTACHMENT**

Item 11 – Conceptual Phasing Site Plan




N

SITE PLAN

RELATED URBAN

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# LIBERTY SQUARE
## PHASING PLAN

*LIBERTY SQUARE RISING*
Miami, FL

## SECTION 3.11. FINANCIAL STRATEGIES FOR THE DESIGNATED PROJECT AND COUNTY PARTICIPATION IN FINANCIAL PROCEEDS

A. Approach to Financing the Project
   - ➢ Project Finance Approaches - Attachments Included
   - ➢ Alternative Financing Scenarios - Attachments Included

B. Local Funding (when Applicable through PHCD)

C. Proposed Miami-Dade County Revenue and Income Stream Participation (Items 1 through 4)

D. Capital Fund Financing Program (CFFP) Experience

**A & B) Approach to Financing the Project**

RUDG, LLC ("Related Urban") has more experience executing mixed finance HUD transactions of public housing properties than any other developer in Florida. We will utilize our expertise to apply for and secure any and all funding sources available for the redevelopment of Liberty Square and Lincoln Gardens.

Related Urban's financing approach only requires $45.6 Million of the $46.0 Million committed by Miami-Dade County PHCD ("PHCD"). More importantly, PHCD will receive approximately $44.0 Million (See chart in Section 3.11 C below) in proceeds back, which represents over 95% of Miami-Dade County's initial investment, within 15 years after the final phase is complete. This will allow PHCD to reinvest these funds into other projects throughout the County. In addition, the financing approach provides alternative financial strategies that may further reduce the County's funding requirement.

The primary financing structure will consist of tax exempt bonds, 4% low income housing tax credits ("LIHTC), permanent loans from Fannie Mae or Freddie Mac, and subordinate financing, which is further detailed below. We received and have attached funding commitments from several national banks, LIHTC equity syndicators, and a direct underwriter and servicer lender for Fannie Mae and Freddie Mac. Related Urban will achieve the most competitive terms because of its financial strength and numerous relationships. The fact that we have received several financial commitments illustrates the depth of our relationships within the financial community. In addition, we have attached the underwriting calculations, as required by the RFA's instructions.

Likely subordinate funding sources include, but are not limited to the following: SAIL and HOME loans from Florida Housing Finance Corporation ("FHFC"), HOME Loans from the City of Miami and AHP loans from the Federal Home Loan Bank, along with the County funding sources that are detailed below. Related Urban has successfully integrated these subordinate funding sources in a single transaction many times. It is important to note that we have been successful in obtaining subordinate financing from various government agencies, and neither Related Urban, nor any of its affiliated companies, have ever been de-obligated from any funding source.

The County is committing to investing three sources of funding GOB, Surtax and Capital Fund Financing Program ("CFFP"), each of which have their own unique characteristics that must be properly addressed by the selected developer. GOB funds are issued in the form of a grant, which would create a taxable event for a for-profit entity and have negative financial consequences for the project, unless there is a non-profit entity in the partnership that receives the grant and then lends the funds to the project. Urgent, Inc. CDC, which is our non-profit partner, is prepared to assume that role.

The County's new guidelines require hard interest payments on their Surtax financing. Related Urban has included a 1.0% interest rate and hard payment to the County on all Surtax and CFFP financing utilized in this redevelopment. Related Urban's HUD counsel, Reno & Cavanaugh, and lender, Citibank, have extensive experience securing CFFP loans for public housing agencies and will be involved in securing CFFP funds for this redevelopment.

PRH Investments, LLC ("PRHI"), is the parent company of Related Urban and will be the guarantor on all of the financing. PRHI has over $100,000,000 in liquidity and $330,000,000 in net worth, which far exceeds the guaranty requirements of our lenders. Prior to selecting a development partner, it is important for the County to verify and ensure that the developer has demonstrated adequate financial capacity to meet the guaranty requirements of its lenders. The industry standard for demonstrating financial capacity is through audited financial statements, which RUDG provided in its response to this RFA.

Related Urban is committed to giving the residents of Liberty Square Rising the opportunity for upward mobility so they can become homeowners. To that end, we have incorporated 60 home ownership units into our development plan. While there are a wide array of homeownership programs that have been utilized for public housing residents over the years, the ones that are most likely to be appropriate, given the proposed resources and market are the Section 24/9 Homeownership Program (utilizing Section 9 funds), as well as the Section 8(y) Homeownership Voucher Program. The Section 8(y) Homeownership Voucher Program would allow us to utilize

voucher assistance for the purpose of assisting a homeowner to meet its monthly expenses, while the Section 24/9 Homeownership Program would allow us to explore various strategies for construction write-downs, grants, subordinate mortgages and closing cost assistance. We will work closely with PHCD to implement these programs for the public housing residents.

The following provides a summary of the projected primary Sources and Uses for the Liberty Square Rising redevelopment:

| TOTAL DEVELOPMENT SOURCES | Total | Per Unit |
|---|---|---|
| Tax Credit Equity | 109,805,533 | 73,794 |
| Tax-Exempt Bonds | 88,200,000 | 59,274 |
| City of Miami HOME | 14,400,000 | 9,677 |
| FHFC HOME | 10,000,000 | 6,720 |
| SAIL | 20,000,000 | 13,441 |
| SAIL ELI | 6,079,300 | 4,086 |
| FHLB | 5,000,000 | 3,360 |
| Miami-Dade County Soft Debt | 45,652,316 | 30,680 |
| Deferred Developer Fee | 8,079,203 | 5,430 |
| **Total Sources** | **307,216,350** | **206,460** |

| TOTAL DEVELOPMENT USES | Total | Per Unit |
|---|---|---|
| Ground Lease Payments to PHCD | 3,720,000 | 2,500 |
| Residential Construction | 163,592,000 | 109,941 |
| Non-Residential Construction | 13,000,000 | 8,737 |
| GC Fees | 24,722,880 | 16,615 |
| Hard Cost Contingency | 10,065,744 | 6,765 |
| Soft Costs | 46,897,790 | 31,517 |
| Developer Fees | 45,217,940 | 30,388 |
| **Total Uses** | **307,216,350** | **206,460** |

**Notes:**
Excludes Homeownership Units which will be privately financed by RUDG

As an alternative, we have attached a financial pro forma utilizing 9% low income housing tax credits. Related Urban will submit for 9% LIHTC's in all funding cycles for which it is eligible, including the Revitalization RFA from FHFC, for which Liberty Square Rising will be an excellent candidate. Since there are multiple phases of this redevelopment, the odds of receiving a 9% LITHC award are improved. However, as indicated in the requirements of the RFA, 9% LIHTC's are highly competitive and were not relied upon to be the main source of financing for any of the phases of RUDG's plan without providing alternative financing structures.

There are other funding and revenue sources that could substantially reduce the County funds required to complete this redevelopment. They include Choice Neighborhood Implementation Grants from HUD, Replacement Housing Factor Financing Grants ("RHF"), Rental Assistance Demonstration ("RAD"), Project-Based Section 8 vouchers, Section 30 HUD Approval, which allows you to use public housing subsidy to support debt service and New Market Tax Credits ("NMTC").

The redevelopment of Liberty Square Rising would make the project an excellent candidate to receive a Choice Grant from HUD of up to $30,000,000. The vision of this HUD initiative is to transform distressed communities with concentrated poverty into sustainable, mixed-income housing with key support services. Applying for a Choice Grant would be an extremely beneficial option for future consideration that would substantially reduce the GAP financing required.

The availability of a Project-Based Section 8 voucher contract, by obtaining Tenant Protection Vouchers from HUD, would have a significant positive financial impact on the development. The Section 8 rents would allow us to secure increased permanent first mortgages and enhance the financial feasibility. We have prepared and attached an analysis of the permanent debt that could be supported with a Project-Based Section 8 voucher contract. For example, a conversion of 25% of the public housing units to a Project-Based Section 8 contract would yield an additional $23 Million in permanent loan proceeds, which would have a tremendous financial impact by reducing the GAP financing required for the development.

Related Urban has utilized an approval under Section 30 of the United States Housing Act of 1937, as amended, to utilize excess public housing operating subsidy to pay debt service on tax-exempt bond financing. This enabled us to increase the borrowing capacity to develop Smathers Phase Two as a 4% low-income housing tax credit/bond deal. We worked closely with the Miami HUD Field Office, the Director of Public Housing Investments and the Deputy Assistance Secretary of Public Housing Investments to obtain this rarely utilized approval.

RHF Grants are awarded to public housing agencies that have removed units from their inventory for the purpose of developing new public housing units for a period of up to five years after they are demolished. Liberty

Square Rising would meet this criteria and Related Urban would work closely with PHCD to apply for RHF funding. Related Urban would also explore converting some of the public housing units into a Project-Based Section 8 contract through the RAD program. Through the mixed-finance development process, both the operating subsidy and the capital funds assigned to each unit in the development will be reconfigured based on the new units. Additionally, the utility allowances will be generated based on the new units. RAD would allow us to lock-in the existing utility allowances, 100% of the existing capital funds attributable to the older units and the coefficient of the project expense level, all of which would generate significantly higher rents than currently realized, enabling us to secure additional permanent debt that would reduce the GAP financing required for the development.

Phase 4A will be the construction of 60 townhomes for affordable homeownership. The construction of this phase will be privately financed by Related Urban with its own capital or with a construction line of credit. We have extensive experience working with the PHCD first-time homebuyer programs.

The development of the grocery store will be eligible for NMTC to assist in capitalizing this phase of construction. All of the proposed non-residential uses in our redevelopment plan meet this objective and are excellent candidates to receive NMTC funding. In fact, CitiBank and Bank of America, the two lenders of our redevelopment plan, have NMTC allocations and have expressed interest in allocating NMTC to this redevelopment.

**Pro Forma Assumptions:**
**Income:** Tenant Rent, Operating/Utility Subsidy Amounts provided in the addendums to the RFA were utilized.
**Vacancy and Collection Loss:** 6% of tenant paid rent was used as the vacancy and collection factor.
**PHA Asset Management Fee:** 5% Asset Management Fee, payable to PHCD, based on 5% of operating subsidy and utility subsidy. This number may be increase up to 7% of operating subsidy based on the annual HUD operating subsidy proration level.
**Income Growth:** 2% on Affordable Units and 3% on Public Housing Units; **Expense Growth:** 3% on all units
**Construction Loan:** SIFMA +250 bps (CitiBank); LIBOR +225bps (Bank of America)
**Replacement Reserve:** $300 per unit

A pro forma utilizing 4% Low-Income Housing Tax Credits and Tax Exempt Bonds has been attached for each phase of the development. Additionally, a pro forma using 9% tax credits is attached as reference as an alternative financing structure. Below is a summary of the proposed financing for each phase of development.

**Phase 1A:** Phase 1A will be the construction of 216 housing units on the vacant Lincoln Gardens site, the construction of the Mourning Family Foundation Brownsville Youth Center and enhancements to Bannerman Park. Phase 1A will include 105 public housing units and 111 units for 60% AMI residents. The total development costs are approximately $45.6 Million, which included $2 Million for the youth center and $1 Million for enhancements to the adjacent Bannerman Park. Phase 1A will be financed with tax exempt bonds issued by the Housing Finance Authority of Miami Dade County ("HFA"), 4% Tax Credits issued by FHFC, FHFC HOME, FHLB, Miami-Dade County CFFP and deferred developer fees. CitiBank, NA will directly purchase the $22.5 Million bond issuance and these funds will be used for construction costs. Upon stabilization, the bonds will be paid down to $10.75 Million and purchased by Fannie Mae or Freddie Mac through Pillar Multifamily. Boston Financial will provide approximately $20.2MM of LIHTC equity.

**Phase 1B:** Phase 1B will be the initial phase of development on the Liberty Square site. This phase will be the construction of 216 housing units and the construction of a brand new 20,000 Sq. ft. community center for the residents of Liberty Square. Phase 1B will include 180 public housing units and 36 units for 60% AMI residents. The total development costs are approximately $46.2 Million which includes $2 Million for the community center and $1.4 Million to rehabilitate the currently vacant units at Liberty Square for the residents of Block 1 to move into while Phase 1B is being constructed. Phase 1B will be financed with tax exempt bonds issued by the HFA, 4% Tax Credits issued by FHFC, City of Miami HOME, SAIL and SAIL ELI, FHLB, Miami-Dade County GOB and deferred developer fees. CitiBank, NA will directly purchase the $21.0 Million bond issuance. Upon stabilization, the bonds will be paid down to $5.65 Million and purchased by Fannie Mae or Freddie Mac through Pillar Multifamily. Boston Financial will provide approximately $19.8 Million of LIHTC equity.

**Phase 2:** Phase 2 will be the construction of 216 housing units and the construction of the Mourning Family Foundation Liberty City Youth Center for the residents of Liberty Square. Phase 2 will include 180 public housing units and 36 units for 60% AMI residents. The total development costs are approximately $44.0 Million which includes $2 Million for the youth center. Phase 2 will be financed with tax exempt bonds issued by the HFA, 4% Tax Credits issued by FHFC, City of Miami HOME, SAIL and SAIL ELI, FHLB, Miami-Dade County GOB and deferred developer fees. CitiBank, NA will directly purchase the $22.0 Million bond issuance. Upon stabilization, the bonds will be paid down to $5.65 Million and purchased by Fannie Mae or Freddie Mac through Pillar Multifamily. Boston Financial will provide approximately $19.5 Million of LIHTC equity.

**Phase 3A:** Phase 3A will be the construction of 216 housing units and the construction of an Early Head Start and Head Start preschool and school for special needs children and the creation of a Liberty Square History Museum. Phase 3A will include 176 public housing units and 40 units for 60% AMI residents. The total development costs are approximately $44.2 Million which includes $2.0 Million for the Early Head Start and Head Start and special needs school facility and the Liberty Square Museum. Phase 3A will be financed with tax exempt bonds issued by the HFA, 4% Tax Credits issued by FHFC, City of Miami HOME, SAIL and SAIL ELI, FHLB, Miami-Dade County GOB and deferred developer fees. Bank of America will directly purchase the $22.0 Million bond issuance. Upon stabilization, the bonds will be paid down to $5.75 Million and purchased by Fannie Mae or Freddie Mac through Pillar Multifamily. Hudson Capital will provide approximately $19.4 Million of LIHTC equity.

**Phase 3B:** Phase 3B will be the construction of 144 housing units and the construction of a YMCA Family Center. Phase 3B will include 104 public housing units and 40 units for 60% AMI residents. The total development costs are approximately $31.3 Million which includes $2.0 Million for the YMCA Family Center. Phase 3B will be financed with tax exempt bonds issued by the HFA, 4% Tax Credits issued by FHFC, City of Miami HOME, FHFC HOME, FHLB, Miami-Dade County GOB and CFFP and deferred developer fees. Bank of America will directly purchase the $16.0 Million bond issuance. Upon stabilization, the bonds will be paid down to $4.0 Million and purchased by Fannie Mae or Freddie Mac through Pillar Multifamily. Hudson Capital will provide approximately $13.8 Million of LIHTC equity.

**Phase 4A:** Phase 4A will be the construction of 60 townhomes for affordable homeownership. Construction of this phase will be privately financed by Related Urban and will utilize various county programs to promote homeownership to the residents of Liberty Square. First time homeownership programs will be among the wide array of social services offered through the new Liberty Square community. Related Urban has significant experience working with PHCD and the HFA to provide down payment assistance and principle buy-downs to qualified residents that have completed homeownership classes.

**Phase 4B:** Phase 4B will be the construction of 120 affordable housing units for 50% and 60% AMI elderly residents and the construction of a Jessie Trice Community Health Center and the Foundation for Sickle Cell Research to provide treatment and social services to patients. The total development costs are approximately $25.0 Million which includes $1.0 Million for Jessie Trice and Sickle Cell organizations. Phase 4B will be financed with tax exempt bonds issued by the HFA, 4% Tax Credits issued by FHFC, City of Miami HOME, SAIL and SAIL ELI, Miami-Dade County Surtax and deferred developer fees. CitiBank, NA will directly purchase the $12.5 Million bond issuance. Upon stabilization, the bonds will be paid down to $5.35 Million and purchased by Fannie Mae or Freddie Mac through Pillar Multifamily. Raymond James Tax Credit Funds will provide approximately $11.0 Million of LIHTC equity.

**Phase 4C:** Phase 4C will be the construction of 120 workforce and affordable housing units and the construction of an Adult Education Center and K-2 Charter School. Phase 4C will include 96 workforce housing units for residents with income less than 120% of AMI and 24 affordable housing units for 50% AMI residents. The total development costs are approximately $25.6 Million which includes $1.0 Million for the Adult Education Center and K-2 Charter School. Phase 4C will be financed with tax exempt bonds issued by the HFA, 4% Tax Credits issued by FHFC, City of Miami HOME, Miami-Dade County GOB and Surtax and deferred developer fees. CitiBank, NA will directly purchase the $16.15 Million bond issuance. Upon stabilization, the bonds will be purchased by Fannie Mae or Freddie Mac through Pillar Multifamily. Raymond James Tax Credit Funds will provide approximately $2.2 Million of LIHTC equity.

**Phase 4D:** Phase 4D will be the construction of 240 workforce and affordable housing units with approximately 15,000 Sq. ft. for "Mom & Pop" businesses. Phase 4D will include 192 workforce housing units for residents with income less than 120% of AMI and 48 affordable housing units for 50% AMI residents. The total development costs are approximately $45.2 Million. Phase 4D will be financed with tax exempt bonds issued by the HFA, 4% Tax Credits issued by FHFC, City of Miami HOME, Surtax and deferred developer fees. CitiBank, NA will directly purchase the $34.9 Million bond issuance. Upon stabilization, the bonds will be purchased by Fannie Mae or Freddie Mac through Pillar Multifamily. Raymond James Tax Credit Funds will provide approximately $3.95 Million of LIHTC equity.

**3.11 C) County Participation in Financial Proceeds**

1. In previous mixed finance developments, Related Urban has been successful in receiving HUD approval to charge developer fees up to the maximum percentage permitted by FHFC, which is 16% of development costs for 9% LIHTC developments and 18% of development costs for 4% LIHTC developments with tax exempt bonds. These fees exceed Safe Harbor Standards. We propose to share 40% of the developer fees received, including deferred developer fees, with the PHCD.
2. Related Urban proposes to make capitalized ground lease payments to PHCD in the amount of $2,500 per unit, which will be paid at the financial closing of a given phase. In addition, Related Urban will pay $1 per year for each of the individual leases it enters into with PHCD.
3. Related Urban proposes to share 50% of the surplus cash flow it receives with the PHCD.
4. Related Urban proposes to share 50% of the net cash flow it receives from capital transactions, which include refinancing and property sales, including homeownership sales, with the County.
5. Related Urban will pay the county asset management fees in accordance with Response #5 of Addendum No. 2 to the RFA dated June 12, 2015.

**The table below summarizes the financial benefits to the County from the Related Urban proposal.**

| Form of Participation | Amount ($) |
|---|---|
| Capitalized Ground Lease Payments | 3,720,000 |
| Developer Fees (40%) | 18,087,176 |
| 50% of Surplus Cash Flow after Deferred Dev. Fees (Yrs. 1-15) | 6,685,503 |
| Homeownership Profits (50%) | 1,393,489 |
| 1% Interest Payments on Surtax and CFFP Funds (Yrs. 1-15) | 2,100,000 |
| Sale/Refinancing Proceeds (Yr. 15) | 11,002,298 |
| Surtax Repayment (Yr. 15) | 4,700,000 |
| **Total** | **43,968,466** |

**3.11 D) Capital Fund Financing Program ("CFFP")**

Related Urban's HUD counsel, Reno & Cavanaugh ("R&C") was instrumental in persuading HUD to permit public housing authorities to borrow against their future allocations of Capital Funds. R&C advocated for the change in federal law that permitted PHAs to leverage their capital funds to securitize a private loan or bond issuance. After the law was passed, R&C attorneys were among the first to apply the new law and its innovative financing tool on behalf of numerous clients. For example, R&C represented the District of Columbia Housing Authority ("DCHA") in a 180-unit new construction project, all of which are tax credit units and 148 of which are a combination of family and senior public housing units. The financing included privately placed multifamily housing bonds, LIHTCs, and HOPE VI funds, a portion of which collateralized the bonds. This was among the first such collateralized bond transactions, and has served as a model nationwide. In addition, R&C has represented the St. Louis Housing Authority, Housing Authority of the City of Meridian and Albany Housing Authority on similar CFFP transactions. Therefore, the Related Urban team is experienced and interested in assisting PHCD to secure CFFP funding for Liberty Square Rising.

## SECTION 3.11.A) PROJECT FINANCE APPROACH – PHASE 1A

Pro Forma

Construction Lender Firm Commitment

Construction Lender Underwriting

Equity Firm Commitment

Equity Underwriting

Permanent Lender Firm Commitment

Permanent Lender Underwriting

# Liberty Square Rising - Phase 1A Lincoln Gardens
## EXECUTIVE SUMMARY

Address — Miami, FL

Total Units — 216

| SOURCES | Construction Source of Funds | Per Unit | Permanent Source of Funds | Per Unit |
|---|---|---|---|---|
| Tax Credit Equity: | 6,060,626 | 28,058 | 20,202,085 | 93,528 |
| Bonds | 22,500,000 | 104,167 | 10,750,000 | 49,769 |
| FHFC HOME | 5,000,000 | 23,148 | 5,000,000 | 23,148 |
| FHLB | 1,000,000 | 4,630 | 1,000,000 | 4,630 |
| CFFP | 6,400,000 | 29,630 | 6,400,000 | 29,630 |
| County GOB | 1,500,000 | 6,944 | 1,500,000 | 6,944 |
| Deferred Developer Fee: | 3,366,005 | 15,583 | 746,456 | 3,456 |
| **TOTAL** | **45,826,631** | **212,160** | **45,598,541** | **211,104** |

| USES | | Total | Per Unit |
|---|---|---|---|
| **Acquisition** | | | |
| Acquisition Costs | | 540,000 | 2,500 |
| **Construction** | | | |
| Residential Construction | | 23,544,000 | 109,000 |
| Mourning Brownsville Youth Center | | 2,000,000 | |
| Bannerman Park Upgrades | | 1,000,000 | |
| GC Fees | 14% | 3,716,160 | |
| Hard Cost Contingency | 5% | 1,513,008 | |
| Total Construction | | 31,773,168 | 147,098 |
| **Soft Costs** | | | |
| Accountant Cost Cert: | | 50,000 | |
| Third party (appraisal, inspections, survey etc.) | | 56,500 | |
| Environmental | | 10,000 | |
| Architectural & Engineering | | 889,000 | |
| Tenant Relocation | | 555,000 | |
| Other Project Soft Costs | | 2,087,092 | |
| Developer Legal Costs | | 180,000 | |
| Financing Costs - Issuance & Origination | | 517,980 | |
| Financing Legal Costs | | 210,000 | |
| Equity Syndication Costs | | 354,941 | |
| Replacement Reserve: | | 64,800 | |
| Lease Up Reserve | | 136,036 | |
| Operating Subsidy Reserve | | 257,802 | |
| Operating Deficit Reserve | | 467,831 | |
| Debt Reserve: | | 500,000 | |
| Soft Cost Contingency | 5% | 216,380 | |
| Soft Costs | | 6,553,362 | 30,340 |
| **TOTAL COSTS before Developer Fee** | | **38,866,530** | **179,938** |
| Developer Fee | | 6,732,011 | 31,167 |
| **TOTAL COSTS** | | **45,598,541** | **211,104** |
| **Total Development Costs Excluding Land** | | **45,058,541** | **208,604** |

**SCHEDULE OF FORECASTED BASE-YEAR REVENUES AND EXPENSES**

**Project:** Liberty Square Rising - Phase 1A Lincoln Gardens
**Project County:** Miami Dade

| Income Level Served | Number of BRs | Number of Units | Pro Forma Rent | Annual Rent |
|---|---|---|---|---|
| **PHA** | 3 | 71 | 596.08 | 507,860 |
| **PHA** | 4 | 34 | 596.08 | 243,201 |
| **60%** | 3 | 56 | 991.00 | 665,952 |
| **60%** | 4 | 55 | 1,103.00 | 727,980 |
| **Totals** | | 216 | | 2,144,993 |

| ANNUAL OPERATING | | CURRENT Annual | Annual Rents / Unit |
|---|---|---|---|
| Public Housing Units[1] | | 751,061 | 3,477 |
| Affordable Rents | | 1,393,932 | 6,453 |
| Total Gross Potential Rental Revenue | | **2,144,993** | **9,931** |
| Miscellaneous Revenue | | 21,600 | 100 |
| **Gross Potential Income** | | **2,166,593** | **10,031** |
| Vacancy and Collection Loss[2] | 6% | 93,240 | 432 |
| PHA Asset Management Fee | 5% | 30,629 | 142 |
| **EFFECTIVE GROSS INCOME (EGI)** | | **2,042,723** | **9,457** |
| General & Administrative | | 32,400 | 150 |
| Payroll | | 259,200 | 1,200 |
| Utilities | | 129,600 | 600 |
| Marketing | | 21,600 | 100 |
| Maintenance & repairs | | 75,600 | 350 |
| Security | | 75,600 | 350 |
| Service contracts | | 64,800 | 300 |
| Resident Services | | 100,000 | 463 |
| Management Fee | | 122,563 | 567 |
| Professional services | | 21,600 | 100 |
| **Subtotal - Controllable** | | 902,963 | 4,180 |
| Real Estate Taxes | | 144,145 | 667 |
| Property and Liability Ins. | | 129,600 | 600 |
| **Subtotal - Taxes & Insurance** | | 273,745 | 1,267 |
| **Total Annual Operating Expenses & Reserves** | | **1,176,709** | **5,448** |
| Replacement Reserve Deposits | | 64,800 | 300 |
| **NET OPERATING INCOME (LOSS)** | | **$ 801,215** | **$ 3,709** |

**NOTES**

1.) Net of operating subsidy proration which was approximately 11% in 2014

2.) Vacancy & Collection based on 6% of tenant paid rent only.

OPERATING PROFORMA - Liberty Square Rising - Phase 1A Lincoln Gardens

| Revenue | | Growth | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 | Year 9 | Year 10 | Year 11 | Year 12 | Year 13 | Year 14 | Year 15 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Rental Income** | | | | | | | | | | | | | | | | | |
| Tenant Rent | | 3.0% | 138,474 | 142,628 | 146,907 | 151,314 | 155,854 | 160,529 | 165,345 | 170,306 | 175,415 | 180,677 | 186,097 | 191,680 | 197,431 | 203,354 | 209,454 |
| Operating Subsidy | | 3.0% | 515,605 | 531,073 | 547,005 | 563,415 | 580,318 | 597,727 | 615,659 | 634,129 | 653,152 | 672,747 | 692,929 | 713,717 | 735,129 | 757,183 | 779,898 |
| Utility Subsidy | | 3.0% | 96,982 | 99,892 | 102,888 | 105,975 | 109,154 | 112,429 | 115,802 | 119,276 | 122,854 | 126,540 | 130,336 | 134,246 | 138,273 | 142,422 | 146,694 |
| Affordable Rents | | 2.0% | 1,393,932 | 1,421,811 | 1,450,247 | 1,479,252 | 1,508,837 | 1,539,014 | 1,569,794 | 1,601,190 | 1,633,214 | 1,665,878 | 1,699,195 | 1,733,179 | 1,767,843 | 1,803,200 | 1,839,264 |
| **Total Rent Revenue** | | | **2,144,993** | **2,195,403** | **2,247,047** | **2,299,956** | **2,354,162** | **2,409,699** | **2,466,600** | **2,524,900** | **2,584,635** | **2,645,842** | **2,708,558** | **2,772,823** | **2,838,676** | **2,906,158** | **2,975,311** |
| | | | | 1.0235 | | | | | | | | | | | | | |
| **Rent Loss** | | | | | | | | | | | | | | | | | |
| Vacancy and Collection Loss | | 6.0% | 93,240 | 95,188 | 97,178 | 99,209 | 101,284 | 103,403 | 105,568 | 107,778 | 110,036 | 112,342 | 114,697 | 117,103 | 119,560 | 122,070 | 124,633 |
| PHA Asset Management Fee | | 5.0% | 30,629 | 31,548 | 32,495 | 33,470 | 34,474 | 35,508 | 36,573 | 37,670 | 38,800 | 39,964 | 41,163 | 42,398 | 43,670 | 44,980 | 46,330 |
| **Total Rent Loss** | | | **123,870** | **126,736** | **129,672** | **132,679** | **135,758** | **138,911** | **142,141** | **145,449** | **148,836** | **152,306** | **155,861** | **159,501** | **163,230** | **167,050** | **170,963** |
| | | | | 1.0231 | | | | | | | | | | | | | |
| **Other Revenue** | | | | | | | | | | | | | | | | | |
| Miscellaneous Revenue | | 2.0% | 21,600 | 22,032 | 22,473 | 22,922 | 23,381 | 23,848 | 24,325 | 24,812 | 25,308 | 25,814 | 26,330 | 26,857 | 27,394 | 27,942 | 28,501 |
| **Total Other Revenue** | | | **21,600** | **22,032** | **22,473** | **22,922** | **23,381** | **23,848** | **24,325** | **24,812** | **25,308** | **25,814** | **26,330** | **26,857** | **27,394** | **27,942** | **28,501** |
| | | | | 1.0200 | | | | | | | | | | | | | |
| **Total Revenue** | | | **2,042,723** | **2,090,699** | **2,139,848** | **2,190,200** | **2,241,785** | **2,294,636** | **2,348,784** | **2,404,263** | **2,461,106** | **2,519,349** | **2,579,028** | **2,640,179** | **2,702,840** | **2,767,050** | **2,832,849** |
| **Expenses** | | | | | | | | | | | | | | | | | |
| General & Administrative | | 3.0% | 32,400 | 33,372 | 34,373 | 35,404 | 36,466 | 37,560 | 38,687 | 39,848 | 41,043 | 42,275 | 43,543 | 44,849 | 46,195 | 47,580 | 49,008 |
| Payroll | | 3.0% | 259,200 | 266,976 | 274,985 | 283,235 | 291,732 | 300,484 | 309,498 | 318,783 | 328,347 | 338,197 | 348,343 | 358,793 | 369,557 | 380,644 | 392,063 |
| Utilities | | 3.0% | 129,600 | 133,488 | 137,493 | 141,617 | 145,866 | 150,242 | 154,749 | 159,392 | 164,173 | 169,099 | 174,172 | 179,397 | 184,779 | 190,322 | 196,032 |
| Marketing | | 3.0% | 21,600 | 22,248 | 22,915 | 23,603 | 24,311 | 25,040 | 25,792 | 26,565 | 27,362 | 28,183 | 29,029 | 29,899 | 30,796 | 31,720 | 32,672 |
| Maintenance & repairs | | 3.0% | 75,600 | 77,868 | 80,204 | 82,610 | 85,088 | 87,641 | 90,270 | 92,978 | 95,768 | 98,641 | 101,600 | 104,648 | 107,788 | 111,021 | 114,352 |
| Security | | 3.0% | 75,600 | 77,868 | 80,204 | 82,610 | 85,088 | 87,641 | 90,270 | 92,978 | 95,768 | 98,641 | 101,600 | 104,648 | 107,788 | 111,021 | 114,352 |
| Service contracts | | 3.0% | 64,800 | 66,744 | 68,746 | 70,809 | 72,933 | 75,121 | 77,375 | 79,696 | 82,087 | 84,549 | 87,086 | 89,698 | 92,389 | 95,161 | 98,016 |
| Resident Services | | 3.0% | 100,000 | 103,000 | 106,090 | 109,273 | 112,551 | 115,927 | 119,405 | 122,987 | 126,677 | 130,477 | 134,392 | 138,423 | 142,576 | 146,853 | 151,259 |
| Management Fee | | 3.0% | 122,563 | 126,240 | 130,027 | 133,928 | 137,946 | 142,085 | 146,347 | 150,738 | 155,260 | 159,917 | 164,715 | 169,656 | 174,746 | 179,988 | 185,388 |
| Professional services | | 3.0% | 21,600 | 22,248 | 22,915 | 23,603 | 24,311 | 25,040 | 25,792 | 26,565 | 27,362 | 28,183 | 29,029 | 29,899 | 30,796 | 31,720 | 32,672 |
| Real Estate Taxes | | 3.0% | 144,145 | 148,470 | 152,924 | 157,511 | 162,237 | 167,104 | 172,117 | 177,280 | 182,599 | 188,077 | 193,719 | 199,531 | 205,517 | 211,682 | 218,033 |
| Insurance | | 3.0% | 129,600 | 133,488 | 137,493 | 141,617 | 145,866 | 150,242 | 154,749 | 159,392 | 164,173 | 169,099 | 174,172 | 179,397 | 184,779 | 190,322 | 196,032 |
| **Total Cost of Operations** | | | **1,176,709** | **1,212,010** | **1,248,370** | **1,285,821** | **1,324,396** | **1,364,128** | **1,405,052** | **1,447,203** | **1,490,619** | **1,535,338** | **1,581,398** | **1,628,840** | **1,677,705** | **1,728,036** | **1,779,877** |
| **Replacement Reserve Deposits** | | 1.5% | **64,800** | **65,772** | **66,759** | **67,760** | **68,776** | **69,808** | **70,855** | **71,918** | **72,997** | **74,092** | **75,203** | **76,331** | **77,476** | **78,638** | **79,818** |
| **Net Operating Income** | | | **801,215** | **812,917** | **824,719** | **836,618** | **848,613** | **860,700** | **872,877** | **885,142** | **897,490** | **909,920** | **922,427** | **935,008** | **947,659** | **960,375** | **973,153** |
| **Debt Service - Hard** | | | | | | | | | | | | | | | | | |
| First Mortgage | | Rate | | | | | | | | | | | | | | | |
| *Interest Payments* | | 4.74% | 506,903 | 500,948 | 494,706 | 488,160 | 481,298 | 474,104 | 466,560 | 458,652 | 450,360 | 441,667 | 432,552 | 422,996 | 412,977 | 402,473 | 391,460 |
| *Principal Payments* | | | 122,912 | 128,866 | 135,109 | 141,654 | 148,516 | 155,711 | 163,254 | 171,163 | 179,454 | 188,148 | 197,262 | 206,818 | 216,837 | 227,342 | 238,355 |
| | Total | | 629,814 | 629,814 | 629,814 | 629,814 | 629,814 | 629,814 | 629,814 | 629,814 | 629,814 | 629,814 | 629,814 | 629,814 | 629,814 | 629,814 | 629,814 |
| **Hard Pay Debt Service** | | | **629,814** | **629,814** | **629,814** | **629,814** | **629,814** | **629,814** | **629,814** | **629,814** | **629,814** | **629,814** | **629,814** | **629,814** | **629,814** | **629,814** | **629,814** |
| *DSCR* | | | *1.27* | *1.29* | *1.31* | *1.33* | *1.35* | *1.37* | *1.39* | *1.41* | *1.43* | *1.44* | *1.46* | *1.48* | *1.50* | *1.52* | *1.55* |
| CFFP | | | | | | | | | | | | | | | | | |
| *Interest Payments* | | 1.00% | 64,000 | 64,000 | 64,000 | 64,000 | 64,000 | 64,000 | 64,000 | 64,000 | 64,000 | 64,000 | 64,000 | 64,000 | 64,000 | 64,000 | 64,000 |
| *Principal Payments* | | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | Total | | 64,000 | 64,000 | 64,000 | 64,000 | 64,000 | 64,000 | 64,000 | 64,000 | 64,000 | 64,000 | 64,000 | 64,000 | 64,000 | 64,000 | 64,000 |
| **Total Debt Service** | | | 693,814 | 693,814 | 693,814 | 693,814 | 693,814 | 693,814 | 693,814 | 693,814 | 693,814 | 693,814 | 693,814 | 693,814 | 693,814 | 693,814 | 693,814 |
| **Before Tax Cash Flow** | | | 107,400 | 119,102 | 130,904 | 142,804 | 154,798 | 166,886 | 179,063 | 191,327 | 203,676 | 216,105 | 228,612 | 241,193 | 253,844 | 266,561 | 279,339 |
| **Deferred Developer Fee Balance** | | | 746,456 | 644,056 | 530,103 | 404,504 | 267,163 | 117,993 | - | - | - | - | - | - | - | - | - |
| LP Asset Management Fee: | | 3.0% | 5,000 | 5,150 | 5,305 | 5,464 | 5,628 | 5,796 | 5,970 | 6,149 | 6,334 | 6,524 | 6,720 | 6,921 | 7,129 | 7,343 | 7,563 |
| Deferred Developer Fee and Interest: | | | 102,400 | 113,952 | 125,600 | 137,340 | 149,171 | 117,993 | - | - | - | - | - | - | - | - | - |
| **Cash Flow after Developer Fee** | | | - | - | - | - | - | **43,097** | **173,092** | **185,178** | **197,342** | **209,581** | **221,893** | **234,272** | **246,715** | **259,218** | **271,776** |

Community Capital

February 2, 2016

Mr. Alberto Milo, Jr.
Related Urban Development Group ("RUDG")
444 Brickell Avenue Suite 301
Miami, FL 33131

**Re: Commitment to utilize Private Activity Volume Cap to finance Multifamily Rental Projects relating to the new construction of eight projects to be known as Liberty Square Rising Phase 1A, Liberty Square Rising Phase 1B, Liberty Square Rising Phase 2, Liberty Square Rising Phase 4B, Liberty Square Rising Phase 4C, and Liberty Square Rising Phase 4D located in Miami-Dade County, Florida (the "Property" or "Properties")**

Ladies and Gentlemen:

Citibank, N.A.("CITI") is pleased to offer to RUDG ("Sponsor"), as the Sponsor of to-be-formed affiliates ("Borrower" or "Borrowers"), this commitment ("Commitment") for financing , subject to the terms, requirements and conditions which follow. All capitalized terms used herein, unless otherwise defined, shall have the meaning set forth on Exhibit A annexed hereto and incorporated herein by this reference (the "Commitment Terms"). CITI's decision to issue this Commitment was made in reliance upon the representations and material supplied by Sponsor and Sponsor's representatives, as more particularly described on Exhibit B annexed hereto. CITI understands that Sponsor intends to submit this Commitment to Miami-Dade County Housing Finance Authority ("Governmental Lender") in support of Sponsor's application to obtain 1) private activity volume cap allocation(s) with respect to the financing of the Properties and 2) soft financing from Miami-Dade County. **This Commitment is subject to, among other things, CITI completing due diligence to confirm the representations made by Sponsor and obtaining credit committee approval.**

**In connection with this Commitment, CITI will be acting solely as a principal and not as your agent, advisor or fiduciary. CITI has not assumed a fiduciary responsibility with respect to this Commitment, and nothing in this Commitment or in any prior relationship between you and CITI will be deemed to create an advisory, fiduciary or agency relationship between us in respect of this Commitment. You should consider carefully whether you would like to engage an independent advisor to represent or otherwise advise you in connection with this Commitment, if you have not already done so.**

A. **Transaction Summary.** The terms of the tax-exempt financing transaction (the "Transaction") that is the subject of this Commitment is as follows:

1. On the issuance date (the "Closing Date"), CITI shall fund a loan (the "Funding Loan") to Governmental Lender, and Governmental Lender shall simultaneously issue a note (the "Governmental Lender Note") to CITI. The proceeds of the Funding Loan shall be used by Governmental Lender to make a tax-exempt loan (the "Tax-Exempt Loan" or the "Borrower Loan") to Borrower to finance the Property, for which the Governmental Lender receives a borrower note (the "Borrower Note"). Borrower shall be responsible for securing the issuance and delivery of the Tax-Exempt Loan by the Governmental Lender.

2. Upon closing of the transaction, the rights of Governmental Lender in the Borrower Loan and all documents evidencing and securing the Borrower Loan (the "Borrower Loan Documents") shall be assigned to a fiscal agent, which may be CITI (the "Fiscal Agent"), as security for the

Governmental Lender's obligations to CITI evidenced by the Governmental Lender Note. CITI will administer and direct the disbursement of the proceeds of the Funding Loan and the Borrower Loan and will oversee the construction work to be performed on the Property (the "Improvements"). The completion of the Improvements and all related work shall be performed during the Construction Phase (as hereinafter defined).

3. CITI shall have the right to engage a third party servicer ("Servicer") to provide limited servicing/oversight functions on behalf of CITI pursuant to a separate servicing agreement with CITI. CITI shall pay Servicer any applicable servicing fee.

4. Intentionally Omitted

5. CITI anticipates that CITI's interest in the Tax-Exempt Loan may be transferred to any eligible investor, which may be a government sponsored enterprise or institutional investor (or a trust for the benefit thereof) and CITI's underwriting and documentation will provide for the possibility of such transfer.

**B. Conditions Precedent to Closing.** The obligation of CITI to make the Funding Loan is subject to satisfaction of the following conditions precedent ("Conditions Precedent to Closing"), in each case in a manner acceptable to CITI. The form and substance of all documents and items submitted by Borrower hereunder must be acceptable to CITI and its counsel.

1. Credit Approval. This Commitment is subject, among other things, to CITI obtaining final credit committee approval. Sponsor understands and agrees that this is subject to final approvals as set forth in Part E.4. of this Commitment and is not an agreement to make a loan. Any documentation will be forthcoming only after final approval of the underwriting by CITI's credit committee. The financing will be documented separately and will contain terms and conditions that may be in addition to or in substitution of those set forth in the Commitment.

2. Documents. Borrower shall duly authorize, execute and deliver or cause to be delivered at closing a Multifamily Note, a Multifamily Deed of Trust, Deed to Secure Debt or Mortgage, where appropriate (the "Security Instrument"), a Guaranty or Guarantees (including a Completion and Payment Guaranty for the Construction Phase and a Non-recourse Carve-out Guaranty), an Agreement of Environmental Indemnification, a Replacement Reserve Agreement, a Construction Funding Agreement, Assignments and any other assignment, financing statement, agreement or document required by CITI in connection with the Loan (collectively, the "Mortgage Documents"). The Funding Loan Agreement, the Regulatory Agreement, the Borrower Loan Agreement, the Borrower Note and all other documents executed or issued in connection with the transaction shall be referred to, collectively, as the "Tax-Exempt Loan Documents". The Security Instrument and Borrower Note shall initially be for the benefit of Governmental Lender and shall be assigned on the Closing Date to CITI. The Tax-Exempt Loan Documents must be in a form satisfactory to CITI and Governmental Lender. Where appropriate, the Mortgage Documents and the Tax-Exempt Loan Documents shall be acknowledged, recorded and filed in the public record, and all recording receipts promptly delivered to CITI.

3. Title Insurance. Borrower shall promptly deliver to CITI a commitment for a mortgagee's title insurance policy, prepared in accordance with CITI's title insurance instructions, along with a pro forma policy in the form included in such instructions. The title insurance commitment and policy must satisfy all of the requirements of such instructions and include such other coverage and endorsements as CITI may require. The company and/or agent issuing the commitment shall be acceptable to CITI in all respects. Borrower shall also furnish CITI with copies of all instruments affecting title to the Property including, but not limited to, all instruments referenced in Schedule B of the pro forma policy.

4. UCC Search/Perfection. Borrower shall commission UCC searches in the real estate records and personal property records of the following jurisdictions and shall furnish written reports of such searches to CITI: (i) the jurisdiction where the Property is located, (ii) any other jurisdiction in which Borrower has its principal office for the conduct of its business, (iii) in the central UCC filing location specified by the law of the state where the Property is located, and (iv) any other office where filing is necessary to perfect Governmental Lender's or Fiscal Agent's security interest in the Collateral (as hereinafter defined). All such searches shall be updated to the time of recordation of the Mortgage Documents and shall show no security interests affecting the Property, Guarantor or Borrower, other than those naming Governmental Lender or Fiscal Agent as the secured party. Borrower shall cause the appropriate filing of financing statements, on forms supplied by CITI, evidencing Governmental Lender's or Fiscal Agent's perfected first priority security interest in all personal property, machinery, equipment, building materials, contract rights, furniture, fixtures, royalties, receivables and other rights related thereto, as well as all leases, rents, revenues and proceeds therefrom and all proceeds of the foregoing (collectively, the "Collateral"). Such filing shall be in compliance with both the Uniform Commercial Code, as adopted in the state in which the Property is located, and all other applicable laws affecting the perfection of security interests. Borrower shall furnish to CITI, promptly upon recordation, receipted or time stamped copies of the filed financing statements.

5. Authority. Borrower shall furnish to CITI certified documents satisfactory to CITI evidencing Borrower's power and authority to enter into the Mortgage Documents and the Tax-Exempt Loan Documents. If Borrower is a corporation, such documents shall include Borrower's Articles of Incorporation, Bylaws, corporate resolution relevant to the Loan and a Certificate of Good Standing from the state of incorporation and the state where the Property is located. If Borrower is a partnership, such documents shall include a copy of the partnership agreement and partnership certificate, and the above-referenced corporate documents for any corporate general partner of Borrower. If Borrower is a limited liability company, such documents shall include a copy of the Articles of Organization and Operating Agreement and the Certificate of Authenticity or Certificate of Good Standing from the state of organization and the state where the Property is located.

6. Leases. The standard form of lease used at the Property shall be subject to the prior written approval of CITI. All new leases and renewals of existing leases shall be made on the approved standard form of lease unless otherwise agreed to by CITI. There must be no commercial leases affecting the Property, except for any laundry lease and other commercial lease disclosed in writing to and approved in writing by CITI and its counsel prior to the date of this Commitment. Any current commercial lease or laundry lease must be subordinated to the lien of the Security Instrument and other Mortgage Documents. Borrower agrees that any future commercial lease or laundry lease or renewal of any current commercial lease or laundry lease will contain language acceptable to CITI subordinating said lease to the lien of the Security Instrument and other Mortgage Documents. There must be no default under any current commercial lease or laundry lease.

7. Borrower's Management Agreement. Borrower shall furnish to CITI a copy of Borrower's management agreement. The management agreement must be with a professional management company and both the management company and the terms of the management agreement must be approved in writing by CITI. Borrower shall not make or permit to be made any changes to the management agreement without the prior written approval of CITI. Without limiting the foregoing, the management agreement must be terminable by owner on 30 days' notice, with or without cause and without payment of any termination fee. If required by CITI, a portion of the management fee

may be required to be subordinated to debt service and other amounts payable with respect to the Loan.

8. Rent Roll. [not applicable]

9. Appraisal. CITI shall have received an appraisal of the Property satisfactory to CITI.

10. Opinion of Borrower's Counsel. Borrower shall deliver to CITI a written opinion by Borrower's counsel approved by CITI, addressed to CITI, Issuer and Bond Trustee and in the form furnished or approved by CITI's counsel.

11. Insurance. Borrower shall deliver to CITI an insurance policy evidencing the existence of insurance relating to the Property, which evidence shall include "paid" premium invoices, conforming in all respects to CITI's insurance requirements as provided to Borrower in a separate package, as same may, from time to time, be modified. Such insurance for the Property shall include, without limitation, coverage for acts of terrorism and, if applicable, flood insurance (as more particularly set forth in Paragraph 17 below). In addition, Borrower must deliver prior to closing (i) the original, or a copy certified by the insurance agent, of the policy(ies) of insurance; or (ii) the insurance binder; or (iii) a certificate of insurance (Acord Form 28 property or Acord Form 27 liability or other form, satisfactory to Lender, provided by the insurance agent); or (iv) original letter from the insurance carrier on the primary layer, signed by an officer of such carrier, attaching the form of insurance policy pursuant to which coverage is being provided, and, if applicable, original letter from each insurance carrier on the excess layers, signed by an officer of such carrier(s) agreeing that it is bound to the form of insurance policy delivered by the primary carrier *(i.e.*, agreeing to "follow form" to the primary carrier). The letter must set forth the date by which the policy will be delivered to CITI, which must not be more than sixty (60) days following closing. All mortgagee/loss payee/additional insured endorsements must be attached to the letter.

12. Permits/Occupancy. Borrower shall deliver to CITI evidence satisfactory to CITI that all applicable governmental authorities have authorized construction of the Improvements and the development and, if applicable, the operation of the Property as a multifamily residential unit, including, without limitation, occupancy permits (if applicable) and building permits. Any nonresidential occupancy must be approved in writing by CITI.

13. Zoning/Subdivision. Borrower shall deliver to CITI certification from the local governmental authority (i) that the use of the Property as a multifamily residential complex complies with all zoning and subdivision ordinances and regulations applicable to the Property and that it is either a legal, conforming use or a legal, nonconforming use acceptable under CITI's underwriting standards, (ii) that the Property has been properly subdivided, and (iii) that the improvements on the Property can be rebuilt on the same location to their presently existing size, shape and density if partially or totally destroyed.

14. Access/Utilities. Borrower shall deliver to CITI evidence satisfactory to CITI that the Property is located on a publicly dedicated and maintained roadway or acceptable easement thereto, is served by public water and sewer systems, electricity and telephone service, and receives adequate municipal services (fire, police and transportation, among others).

15. Other Compliance. Borrower shall deliver to CITI evidence satisfactory to CITI that the Property, and Borrower's operation thereof, is in compliance with all local and/or state building, safety, health and fire codes, all clean air and water acts and other Hazardous Materials Laws (as hereinafter defined), and all equal opportunity, anti-discriminatory and fair housing requirements.

16. Survey. Borrower shall deliver to CITI a current, certified, "boundary" or "as-built" (as applicable) ALTA survey of the Property and surveyor's certificate, prepared by a registered engineer or surveyor approved by CITI. The survey and surveyor's certificate shall be satisfactory in form and substance to CITI and shall contain those matters set forth in CITI's survey instructions.

17. Flood Zone Map/Certification/Insurance. Borrower shall deliver to CITI a certification from Borrower's architect, engineer or surveyor stating whether the Property is located in a designated special Flood Plain Hazard area, as designated by appropriate federal agencies. If all or any portion of the Property is at any time during the term of the Loan, located in such an area, Borrower shall provide satisfactory evidence to CITI of the existence of flood insurance policies in the maximum amount required pursuant to applicable laws covering all of the improvements on the Property which lie within, are bounded by, or are in any way affected by such area.]

18. Operating Documents. Borrower shall furnish copies of any form documents used for the Property and any equipment leases, licenses, franchises, permits, contracts, and any other agreements required for the operation, use, management or occupancy of the Property, and all such items shall be subject to written approval by CITI.

19. Financial Statements of Borrower and Guarantor. CITI shall receive, for its review and approval detailed financial statements for Borrower, any principal in Borrower and each Guarantor, certified by Borrower, such principal or the Guarantor, as the case may be. CITI may also require updated and/or recertified financial statements as of the Closing Date.

20. Environmental Assessment Report. CITI shall receive and approve a written report or reports from CITI's independent environmental inspectors confirming that the Property and any site within the vicinity of the Property (i) has not contained and does not currently contain any Hazardous Material or underground storage tanks or any other pollutants that could be detrimental to the Property, human health or the environment, (ii) does not contain radon gas in levels unacceptable to CITI, (iii) complies with all applicable Hazardous Material Laws and has not been identified by any environmental regulatory body as a site containing Hazardous Material or underground storage tanks, (iv) shows no other environmental problem that would bring the Property within the purview of any federal, state or local environmental law or ordinance, and (v) contains no residual effect due to the removal of storage tanks or Hazardous Material. All deficiencies with respect to any environmental matters which CITI deems to be material shall be corrected by Borrower at its own expense to the satisfaction of CITI. "Hazardous Material" means and includes, without limitation, mold, asbestos and any substance containing asbestos, the group of organic compounds known as polychlorinated biphenyls, flammable explosives, radioactive materials, lead-based paint, chemicals known to cause cancer or reproductive toxicity, pollutants, effluents, contaminants, emissions or related materials and any items included in the definition of hazardous or toxic wastes, materials or substances under the Hazardous Material Laws. "Hazardous Material Laws" means and includes, all federal, state and local statutes, ordinances, regulations, orders, and decrees now or hereafter promulgated in connection with preserving the environment and/or the handling, storage, transport and disposal of Hazard Material.

21. Separate Tax Parcel(s). The Property shall constitute one or more separate and distinct tax parcels for purposes of all real estate taxes and assessments. There shall be no overlap whatsoever between the Property and any other property which will not be subject to the first lien of the Security Instrument. Borrower shall also furnish the most recent tax bills for the Property.

22. Opinion of Tax Counsel. CITI must receive from nationally recognized tax counsel approved by CITI an unqualified opinion (i) as to the validity and enforceability of the Tax-Exempt Loan, (ii) that the interest on the Tax-Exempt Loan is excluded from the gross income of

the owners thereof for federal income tax purposes under the Internal Revenue Code of 1986, as amended, and (iii) that the interest on the Tax-Exempt Loan is excluded from the gross income of the owners thereof for state income tax purposes if such exclusion is available under state law. Tax counsel must have (a) addressed its opinion to CITI, (b) addressed its opinion to CITI or (c) provided CITI a letter, addressed to CITI, stating that CITI may rely upon the opinion. Both the opinion and, if applicable, the reliance letter must be satisfactory to CITI.

23. Governmental Lender Requirements. CITI must receive evidence that Governmental Lender shall not impose restrictions, requirements or conditions in connection with its willingness to issue the Tax-Exempt Loan that are unacceptable to CITI. The restrictions imposed by the Tax-Exempt Loan Documents must be consistent with the restrictions on the use of the Property, on the income of tenants and on any rent charge that was used in underwriting the Funding Loan.

24. Low-Income Housing Tax Credits ("LIHTC"). CITI must approve any land use restriction agreement or regulatory agreement regulating or restricting the use or manner of operation of the Property and requiring that the Property be operated as a residential rental project occupied by individuals of low income (as provided for in the Treasury Regulations under Section 42(g) of the Internal Revenue Code). Such regulatory agreement must provide that the Property shall at all times be operated in such manner as to comply with the requirements of the Internal Revenue Code, the Treasury Regulations and IRS Rulings for obtaining and for preserving the LIHTC. In addition, the eligibility of the Property for LIHTC shall be evidenced to CITI in a manner satisfactory to CITI. Such regulatory agreement must be reviewed and approved in writing by CITI.

25. Equity and Funding Conditions. CITI must approve the partners/members (including the Tax Credit Investor), the applicable investment agreement, and the organizational documents of Borrower. CITI must receive and approve evidence satisfactory to CITI in all respects that the amount of the equity contribution is projected to be at least the level used by CITI in underwriting the transaction. Borrower's organizational documents shall contain restrictions acceptable to CITI on the syndication or other transfer of the Tax Credit Investor's interest, in whole or in part (including any interest therein), to eligible investors. In addition, prior to the Closing Date, CITI must receive and approve evidence satisfactory to CITI in all respects that Borrower (i) has timely received all required equity contributions to be made to Borrower as of the Closing Date, (ii) has fully funded, for the benefit of the Property, all cash required to be invested in the Property as of the Closing Date, and (iii) has made satisfactory arrangements to fund all cash required to be funded after the Closing Date. Borrower must also provide and CITI must approve in writing any developer's agreement relating to the Property.

26. Construction Phase Budget. CITI will require satisfactory evidence that other funds and Loan Proceeds are adequate to complete the Improvements and carry the costs of the Property (including but not limited to interest, taxes, insurance, and operating costs), as determined by CITI based upon its review of scope of work, the Appraisal and other relevant information. CITI reserves the right to receive, review and approve all project expenditures made prior to closing.

27. Architectural Consultant and Construction Inspector. CITI shall have approved an architectural consultant to monitor the progress of the Improvements (the "Architectural Consultant") and Borrower and the Architectural Consultant shall have executed and delivered to CITI an agreement in form and substance acceptable to CITI, pursuant to which the Architectural Consultant shall agree to certify hard cost progress payments and to provide the certifications required pursuant to this Commitment upon completion of the Improvements. In addition, CITI will enter into an agreement directly with a construction inspector ("Construction Inspector") for the benefit of CITI, but at the sole cost and expense of Borrower, to review the

plans and specifications, contracts and budget for the Improvements and to monitor the progress of the construction of the Improvements in the manner required by CITI.

28. Approved Plans. CITI and its engineering consultants and the Construction Inspector shall have received and approved the plans and specifications for the Improvements (such plans and specifications, as approved by CITI are referred to herein as the "Approved Plans"), the budget for completion of the Improvements, a fixed or a guaranteed maximum price contract for completion of the Improvements with a general contractor acceptable to CITI and a construction draw schedule for the Improvements.

29. Change Orders. The Approved Plans and the Construction Contract, and any change orders issued thereunder, will be subject to the approval of CITI.

30. Contractors. The architect, general contractor and such other contractors and subcontractors with respect to the Property as shall be identified by Borrower and approved by CITI shall have acknowledged the collateral assignment of their respective contracts to CITI and agreed in writing to continue performance on behalf of CITI under their respective contracts without additional cost in the event of a default by Borrower, which agreements shall be in form and substance acceptable to CITI and its counsel.

31. Payment and Performance Bonds. To the extent indicated on Exhibit A hereto, Borrower shall be required to deliver to CITI payment and performance bonds with respect to its contractor and major subcontractors (as determined by CITI).

32. Additional Documents. Upon request by CITI, Borrower shall furnish CITI with any documentation being furnished to any other party lending or investing in the Property (including CITI), including any plans for the Improvements, construction budgets, contracts and disbursement requests. In addition, Borrower shall deliver to CITI all other documents, instruments and other items required by CITI in connection with the making of the Funding Loan.

33. Additional Funding Requirements: All final documentation and due diligence must be delivered to tax counsel and/or counsel to CITI prior to the release of any funds for the Funding Loan, and under no circumstances will CITI authorize the closing of the Funding Loan until counsel to CITI has received the following final documentation: Trust Indenture, Funding Loan Agreement, Tax Certificate (or comparable document), Multifamily Note(s), the regulatory agreement/land use restriction agreement associated with the Tax-Exempt Loan, TEFRA approval(s), Governmental Lender's resolution(s), proof of volume allocation, , IRS Form 8038, final opinions of tax counsel and Borrower's counsel, any enhancement instrument, and, if applicable, all documentation required from HUD.

34. Fees and Expenses. Borrower shall have paid the Financing Fee (as hereinafter defined) and any other costs and expenses then due and payable pursuant to the provisions of this Commitment.

**C.** Intentionally Omitted

**D.** **Fees and Expenses.** Borrower shall be responsible for the following fees and expenses in connection with the financing:

1. Application Fee. Borrower hereby acknowledges requirement of an application fee (the "Application Fee") as set forth in the Commitment Terms, which amount shall be non- refundable. In the event additional funds are required to complete CITI's review and due diligence, Borrower will be advised of such costs in advance. Any and all additional costs will be billed to Borrower as they are incurred. The Application Fee is applicable toward third party reports,

underwriting and processing (as set forth in the Commitment Terms), and CITI's legal fees.

2. Origination Fee. The Origination Fee as set forth in the Exhibit A shall be due and payable on the Closing Date. The Origination Fee reflects a fee payable to CITI in exchange for providing financing for the Project.

3. Conversion Fee. Not applicable.

4. Fees and Expenses. Sponsor shall pay when due, whether or not the closing occurs, all reasonable and actual expenses, fees and charges with respect to the cost of issuance of the Tax-Exempt Loan (including tax and Governmental Lender counsel fees, Governmental Lender fees, Fiscal Agent fees, Fiscal Agent counsel fees, financial advisor fees, printing and mailing costs and other Tax-Exempt Loan related fees and costs), and the Tax-Exempt Loan processing and closing, or in any way connected therewith, including, without limitation, appraisal fees, survey costs, title insurance costs, architectural fees, engineering fees, inspection fees, mortgage or similar taxes and all attorneys' fees and legal costs of CITI. Without limiting the foregoing, Sponsor specifically agrees to pay all costs relating to document preparation and review of real estate due diligence items by counsel to CITI.

**E. Assignment; Acceptance; Termination.**

1. Acceptance. In order for this Commitment to be binding on CITI, Sponsor must execute a copy of this Commitment and return it, along with the Application Fee to CITI within five (5) business days after the date first set forth above (the "Outside Acceptance Date"), time being of the essence.

2. Expiration. This Commitment must be accepted on or before the Outside Acceptance Date, and the Tax-Exempt Loan must be issued prior to the Outside Closing Date set forth in the Commitment Terms, or this Commitment shall terminate and be of no further force and effect; provided, however that the provisions of this Commitment that explicitly survive termination shall continue in full force and effect. In the event that Sponsor does not obtain an allocation for the full amount of the Tax-Exempt Loan at least thirty (30) days prior to the Outside Closing Date, or the issuance of the Tax-Exempt Loan and the making of the Funding Loan by CITI does not occur by the Outside Closing Date, Sponsor may request an extension of this Commitment (not to exceed ninety (90) days), which extension shall be in Citi's sole discretion. In the event the requested extension is approved by CITI in its sole discretion, in addition to the Financing Fee and other amounts due hereunder, Sponsor shall pay to CITI a commitment extension fee equal to 0.25% (25 basis points) of the Construction Phase Amount on the Closing Date.

3. Termination. CITI may terminate this Commitment at any time if:

a. Any material adverse change (financial or otherwise) shall occur at any time prior to the Closing Date with respect to (i) the Property, the proposed Improvements, and/or the other security for the Tax-Exempt Loan, or (ii) the credit of Borrower and/or Sponsor (and/or any of the principals of Borrower and/or Sponsor) or any Guarantor or any other person or entity connected with the Loan, or (iii) any other source of repayment of the Loan.

b. Any part of the Property shall have been taken in condemnation or other like proceeding, or any such proceeding is pending or threatened as of the Closing Date, or any part of the Property is damaged and not repaired to CITI's satisfaction prior to the Closing Date.

c. If requested, certifications of the non-occurrence of (a) and (b) above, in form acceptable to CITI, are not executed by Borrower on the Closing Date, or if Borrower has not delivered on the Closing Date updated personal financial statements for any Guarantor.

d. After acceptance of this Commitment, the Tax-Exempt Loan is not issued and closed on or prior to the Outside Closing Date (as the same may be extended pursuant to Section E2.).

e. If, in CITI's sole judgment, CITI's underwriting and due diligence indicate the reasonable possibility of a material adverse change in the Property, the proposed Improvements, the Sponsor, the Borrower and/or any Guarantor.

f. If the OFAC representation and warranty in Section F5. is no longer true and correct.

4. Upon termination, Sponsor shall pay to CITI any other reasonable damages CITI may have incurred due to non-delivery of the Tax-Exempt Loan. **Sponsor's or Borrower's obligation to pay all amounts due under this Commitment shall survive the termination or expiration of this Commitment.** If Sponsor or Borrower fails or refuses to comply with the terms of this Commitment, CITI, at its option, shall have the right to enforce any rights and remedies it may have at law or in equity, including, but not limited to, the collection of costs and expenses arising out of such breach, including reasonable attorneys' fees and disbursements.

5. Final Underwriting. By accepting this Commitment, Sponsor expressly acknowledges that the obligation of CITI to provide the Funding Loan is subject to the completion of final loan underwriting by CITI, final CITI loan committee approval, and the satisfaction of any additional or differing conditions including interest rates that may be required by CITI as a result of such committee approval. By accepting this Commitment, Sponsor expressly acknowledges that the obligation of CITI to provide the financing described in this Commitment is subject to the satisfaction of the obligations and terms and conditions required by Citi for new construction and rehabilitation projects.

F. Miscellaneous.

1. Further Assurances. Sponsor hereby expressly acknowledges that CITI intends to incur costs upon acceptance of this Commitment. Upon acceptance of the Commitment, Sponsor shall be strictly obligated to close the transaction contemplated hereby. Sponsor acknowledges that failure to close the transaction will subject CITI to substantial costs and damages. Therefore, Sponsor hereby expressly agrees:

a. To perform all of the requirements, terms and conditions contained herein at the time and in the manner herein and as required by CITI.

b. Refrain from taking any action that would result in CITI's inability to arrange for the making of the Funding Loan.

c. On the request of CITI, to re-execute or ratify any of the Mortgage Documents and/or the Tax-Exempt Loan Documents, or execute any other documents as may be reasonably necessary to effect the delivery of the Tax-Exempt Loan to any investor.

2. Indemnification for Brokerage Commissions. Sponsor acknowledges and agrees that any fees due for tax-exempt loan or related mortgage loan origination services shall be Borrower's sole responsibility. Borrower and Sponsor shall indemnify and hold CITI harmless from and against any and all claims, demands and liability for brokerage commissions, assignment fees, finders' fees or other compensation whatsoever arising from the issuance of this Commitment, the making of

the Tax-Exempt Loan that may be asserted against CITI by any person or entity. **Sponsor's and Borrower's obligation to indemnify CITI hereunder shall survive the termination or expiration of this Commitment.**

3. Authorization. Sponsor and the undersigned Guarantor hereby authorize CITI to obtain and forward any and all credit information, including credit reports and financial statements and all other information of any kind received or reasonably required in connection with this Commitment to any rating agency and to any potential investor.

4. Exclusivity. The terms and provisions of this Commitment are intended for the sole and exclusive benefit of CITI and Borrower, and not for the benefit of, nor for the purpose of being relied upon, by any other party.

5. OFAC Provisions. Sponsor hereby represents and warrants that no portion of the Property has been or will be purchased, improved, equipped or furnished with proceeds of any illegal activity. Sponsor further represents and warrants that to the best of Sponsor's knowledge, after having made diligent inquiry, Sponsor, Borrower, each Person owning a direct or indirect interest in Borrower, each Guarantor, each person owing a direct or indirect interest in each Guarantor, the Property Manager, and each tenant at the Property: (a) is not currently identified on OFAC List, and (b) is not a Person with whom a citizen of the United States is prohibited to engage in transactions by any trade embargo, economic sanction, or other prohibition of United States law, regulation, or Executive Order of the President of the United States. The Sponsor further acknowledges and agrees that it shall have a continuing obligation during the processing of this Commitment to notify CITI promptly if it knows or has reason to believe that the representations and warranties contained herein are no longer correct. Sponsor has implemented procedures, and will consistently apply those procedures throughout the term of the Tax-Exempt Loan, to ensure the foregoing representations and warranties remain true and correct during the term of the Tax-Exempt Loan. For the purposes hereof, "OFAC List" means the list of specially designated nationals and blocked persons subject to financial sanctions that is maintained by the U.S. Treasury Department, Office of Foreign Assets Control and any other similar list maintained by the U.S. Treasury Department, Office of Foreign Assets Control pursuant to any Requirements of Law, including, without limitation, trade embargos, economic sanctions, or other prohibitions imposed by Executive Order of the President of the United States, which OFAC List is accessible through the internet website http://www.treasury.gov/ofac/downloads/t11sdn.pdf, and "Person" means an individual, partnership, limited partnership, corporation, limited liability company, business trust, joint stock company, trust, unincorporated association, joint venture, governmental authority or other entity of whatever nature.

6. Borrower's Representations. The validity of this Commitment and CITI's obligations hereunder shall at all times be subject to the accuracy and validity of all information and representations furnished by Sponsor to CITI with regard to the Tax-Exempt Loan , which shall have been and shall continue to be true and not misleading in all material respects.

7. Loan Data. All inspections, reports, appraisals, environmental studies or other data submitted to, commissioned for, conducted or produced by or for CITI are for its benefit and use and shall be the property of CITI. No right of inspection or approval contained in this Commitment shall be deemed to impose upon CITI any duty or obligation whatsoever to take any action or to notify any person with respect thereto, and no liability shall be imposed upon any such party and no warranty shall be deemed or construed to arise by reason of any inspection undertaken or approval given by any such party, its agents, employees or representatives, any such inspections and approvals being made solely for the benefit of such party. **The provisions of this paragraph shall survive the termination or expiration of this Commitment.**

8. Discretion. In any instance where the consent or approval of CITI may be given or is required, or where any determination, judgment or decision is to be rendered by CITI under this Commitment, the granting, withholding or denial of such consent or approval and the rendering of such determination, judgment or decision shall be made or exercised by CITI (or its designated representative) at its sole and exclusive option and in its sole and absolute discretion.

9. Waiver. CITI reserves the right, in its sole discretion, to waive in whole or part any of the terms, requirements and conditions in this Commitment, the Mortgage Documents, the Bond Documents or other documents referenced herein; provided, however, that such waiver shall in no event be construed to constitute a waiver of the applicable terms, requirements or conditions as they may apply in the future.

10. Successors and Assigns. Sponsor acknowledges and agrees that CITI at its option may assign or otherwise transfer the Bonds and all documents evidencing and securing the Bonds including, but not limited to, this Commitment, to other parties subsequent to the execution of this Commitment. Neither Sponsor nor Borrower may assign its rights, interest, or obligations under this Commitment without first obtaining CITI's prior written consent. This Commitment shall be binding upon the successors and permitted assigns of Borrower.

11. Governing Law. This Commitment shall be governed by and construed in accordance with the laws of the State of New York. Sponsor agrees that any legal action that may arise out of this Commitment will be commenced only in the United States District Court, Southern District of New York, or New York State Courts sitting in New York County, New York, and Sponsor hereby submits to the jurisdiction of any such court. All Mortgage Documents and Bond Documents (other than this Commitment) shall be governed by the laws of the State where the Property is situated. **The governing law election with respect to this Commitment shall survive the termination or expiration of this Commitment.**

12. WAIVER OF TRIAL BY JURY. SPONSOR AGREES NOT TO ELECT A TRIAL BY JURY WITH RESPECT TO ANY ISSUE ARISING OUT OF THIS COMMITMENT OR THE RELATIONSHIP BETWEEN BOND PURCHASER, BONDHOLDER REPRESENTATIVE AND BORROWER OR SPONSOR THAT IS TRIABLE OF RIGHT BY A JURY AND WAIVES ANY RIGHT TO TRIAL BY JURY WITH RESPECT TO SUCH ISSUE TO THE EXTENT THAT ANY SUCH RIGHT EXISTS NOW OR IN THE FUTURE. THIS WAIVER OF RIGHT TO TRIAL BY JURY IS GIVEN BY SPONSOR KNOWINGLY AND VOLUNTARILY WITH THE BENEFIT OF COMPETENT LEGAL COUNSEL AND APPLIES TO ALL ACTIONS WHETHER ARISING IN CONTRACT, TORT, EQUITY OR OTHERWISE. **THIS PROVISION SHALL SURVIVE THE TERMINATION OF EXPIRATION OF THIS COMMITMENT.**

13. Survival. The covenants, terms and conditions set forth in this Commitment shall not survive the Closing Date (unless expressly provided to the contrary). In the event of any conflict between this Commitment and the Mortgage Documents and/or the Bond Documents, the Mortgage Documents and/or the Bond Documents, as applicable, shall prevail.

14. Confidentiality The provisions of this Commitment and all of the terms and conditions contained herein are confidential and Sponsor shall not share this Commitment, or the terms and conditions contained herein, with any third party; provided however, Sponsor may show this Commitment to the Issuer and to Miami-Dade County in connection with its application for issuance of the Bonds. **This confidentiality provision shall survive the termination or expiration of this Commitment.**

15. Anti Tying Policy. CITI maintains a policy of strict compliance to the anti-tying provisions of the U.S. Bank Holding Company Act of 1956, as amended, and the regulations issued

by the Federal Reserve Board implementing the anti-tying rules (collectively, the "Anti-tying Rules"). Moreover, our credit policies provide that credit must be underwritten in a safe and sound manner and be consistent with Section 23B of the Federal Reserve Act and the requirements of federal law. Consistent with these requirements and our Anti-tying Policy:

a. The extension of commercial loans or other products or services to you by CITI or any of its subsidiaries will not be conditioned on your taking other products or services offered by CITI or any of its subsidiaries or affiliates, unless such a condition is permitted under an exception to the Anti-tying Rules.

b. CITI will not vary the price or other terms of any product or service offered by CITI or its subsidiaries on the condition that you purchase another product or service from CITI or any of its affiliates, unless CITI is authorized to do so under an exception to the Anti-tying Rules.

c. CITI will not require you to provide property or services to CITI or any affiliate of CITI as a condition to the extension of a commercial loan to you by CITI or any of its subsidiaries, unless such a requirement is reasonably required to protect the safety and soundness of the loan.

d. CITI will not require you to refrain from doing business with a competitor of CITI or any of its affiliates as a condition to receiving a commercial loan from CITI or any of its subsidiaries, unless the requirement is reasonably designed to ensure the soundness of the Loan.

[No Further Text on this Page]

If you have any questions relating to this Commitment, or if we can be of any further assistance, please do not hesitate to let us know.

Very truly yours,

CITIBANK, N.A., a national banking association

By: _____

Name: Kathy Millhouse

Title: Vice President

The undersigned hereby accepts the foregoing Commitment and agrees to be bound by the terms, requirements and conditions set forth herein.

Date: 2/4/16

**SPONSOR:**

By: _____

Name: Alberto Milo, Jr

Title: Senior V.P.

# EXHIBIT A

## COMMITMENT TERMS

## TERM SHEET

## Multifamily Rental Developments with Rent Restrictions New Construction

## Tax-Exempt "Back-to-Back" Loan Structure

**Liberty Square Rising Phase 1A**
**Liberty Square Rising Phase 1B**
**Liberty Square Rising Phase 2**
**Liberty Square Rising Phase 4B**
**Liberty Square Rising Phase 4C**
**Liberty Square Rising Phase 4D**

**February 2, 2016**

NOTE: This Term Sheet constitutes a brief summary of certain, but not all transaction terms and conditions. The summary that follows is subject to final credit approval.

**In connection with this Term Sheet, CITI will be acting solely as a principal and not as your agent, advisor or fiduciary. CITI has not assumed a fiduciary responsibility with respect to this Term Sheet, and nothing in this transaction or in any prior relationship between you and CITI will be deemed to create an advisory, fiduciary or agency relationship between us in respect of this Term Sheet. You should consider carefully whether you would like to engage an independent advisor to represent or otherwise advise you in connection with this Term Sheet, if you have not already done so.**

### A. PRELIMINARY LOAN TERMS

**Deal Structure:**

CITI proposes to fund a tax-exempt construction loan ("Funding Loan") to Miami-Dade Housing Finance Authority or other acceptable housing finance agency (the "Governmental Lender"). The Governmental Lender then loans the proceeds of the Funding Loan directly to the Borrower (the "Borrower Loan").

The Construction Phase is the initial phase during which funds will be advanced to Governmental Lender and loaned to Borrower (directly or through a Trustee, at Governmental Lender's discretion). Payments on the Funding Loan during the Construction Phase will be interest only

**Property:**

Liberty Square Rising Phase 1A – 216 units
Liberty Square Rising Phase 1B – 216 units
Liberty Square Rising Phase 2 – 216 units
Liberty Square Rising Phase 4B – 120 units
Liberty Square Rising Phase 4C – 120 units
Liberty Square Rising Phase 4D – 240 units

**Set-Asides:**

Phase 1A: 51% of the units (111 units) will be for tenants with income at or below 60% of AMI. The remaining units (105 units) will be public housing and covered under an annual contribution contract with HUD.

Phase 1B: 17% of the units (36 units) will be for tenants with income at or below 60% of AMI. The remaining units (180 units) will be public housing and covered under an annual contribution contract with HUD.

Phase 2: 17% of the units (36 units) will be for tenants with income at or below 60% of AMI. The remaining units (180 units) will be public housing and covered under an annual contribution contract with HUD.

Phase 4B: 90% of the units (108 units) will be for tenants with income at or below 60% of AMI. 10% of the units (12 units) will be for tenants with income at or below 50% of AMI.

Phase 4C: 20% of the units (24 units) will be for tenants with income at or below 60% of AMI. The remaining units (96 units) will be for tenants with income at or below 120% of AMI.

Phase 4D: 20% of the units (48 units) will be for tenants with income at or below 60% of AMI. The remaining units (192 units) will be for tenants with income at or below 120% of AMI.

**Borrower:** To be determined.

**Sponsor:** Affiliates of RUDG

**LIHTC Investor/ Syndicator:** If applicable, the Low Income Housing Tax Credit ("LIHTC") Investor / Syndicator, the upper tier investor(s) and, the terms and conditions of the partnership (or operating) agreement, must be acceptable to CITI in all respects including, particularly, as to the timing and conditions to funding capital contributions.

**Guarantor(s):** PRH Investments, LLC and/or other individual(s) or corporate entity acceptable to CITI in all respects. The Guarantor(s)' financial condition(s) must be acceptable to CITI in all respects. Guarantor must maintain a minimum net worth requirement of $10 million and minimum liquidity of $2 million.

**Subordinate Debt:** If applicable, the sources of subordinate debt and the subordinate loan documents must be acceptable to CITI in all respects. All subordinate debt must fund prior to Funding Loan funding unless CITI approves other arrangements.

**Loan Security:** First lien, or assignment thereof, on land and any improvements, UCC filings for fixtures; assignment of all leases and rents; and, a first priority collateral assignment of all contracts, management agreements, and other agreements and all permits relating to the Property. All income and rent restrictions will be subordinate to the CITI security instrument.

**Recourse:** The Funding Loan will be fully recourse to the Borrower and to the Guarantor(s).

**Guarantees, Construction Phase:** Completion and Repayment Guarantees are required from the Borrower and the Guarantor(s).

**Environmental Indemnity:** Borrower and Guarantor(s) will be liable for CITI's standard environmental indemnity.

**Closing:** Closing is subject to full satisfaction of CITI's standard due diligence, underwriting and credit approval processes, and the execution and delivery of all required loan documents, delivery of opinions, payment of fees and other customary requirements.

**Closing Date (est.):** To be Determined

## CONSTRUCTION PHASE

**Est. Construction Phase Loan Amount:** An amount, currently estimated to be:

| | |
|---|---|
| Liberty Square Rising Phase 1A: | $22,500,000 |
| Liberty Square Rising Phase 1B: | $21,000,000 |
| Liberty Square Rising Phase 2: | $22,000,000 |
| Liberty Square Rising Phase 4B: | $12,500,000 |
| Liberty Square Rising Phase 4C: | $16,150,000 |
| Liberty Square Rising Phase 4D: | $34,900,000 |

The loan(s) may not exceed 80% of costs covered through the Construction Phase.

**Construction Phase Term:** Twenty-four months, plus two, 6-month extension options. Fees for the extension are indicated below under "Fees & Expenses".

**Construction Phase Interest Rate:** A variable rate equal to SIFMA plus a spread of 2.50% during the Construction Phase for all Phases. Rate adjusts weekly. Currently, SIFMA is trading at approximately 0.01%. This rate does not include Issuer, Trustee, or misc. 3rd party fees (SIFMA is available at http://www.sifma.org/research/item.aspx?id=19762). Pricing is based on current market conditions and is subject to change.

**Availability:** Funding Loan proceeds will be advanced to Borrower on a "draw down" basis upon receipt of a written request from Borrower, supported by documentation acceptable to CITI. Borrower will be required to submit a loan budget worksheet with each draw request tracking all Property sources and uses of funds. Draw requests are limited to one per month.

**Loan in Balance:** The Funding Loan must remain "in balance" during the Construction Phase. "In balance" means that (1) the funds available during the Construction Phase (from the Funding Loan and all other debt and equity sources) are sufficient to complete the construction or rehabilitation of the Property and all other expenses reasonably expected to be necessary to achieve the conditions for equity and sub-debt funding; and (2) the sources available from equity and sub-debt are sufficient to pay off the Construction Phase Loan Amount.

**Amortization:** None. Payments on the Funding Loan during the Construction Phase will be interest only.

**Prepayment and Yield Maintenance:** Voluntary prepayment of Funding Loan principal amounts during the Construction Phase, including those as a result of a Borrower default, may be made without prepayment fee or penalty.

**Interest Reserve:** Calculated at the Construction Phase Interest Rate noted above, plus a cushion acceptable to CITI at time of final Credit approval. Currently, CITI is underwriting with a cushion of 1.00%. The Interest Reserve will be sized based on an analysis of the projected draw schedule for the Funding Loan during the Construction Phase.

**Budget and Contingencies:** The budget for the Construction Phase, including all budget line items, is subject to CITI approval. The budget shall include a hard cost contingency of no less than 5% of budgeted hard costs for new construction projects or, 10% for renovation projects. The budget shall include a soft cost contingency of no less than 5% of budgeted soft costs, excluding 1) soft costs incurred prior to or in connection with closing; 2) interest reserve and bank fees; 3) capitalized operating reserve deposits and other costs that may be due in connection with Construction Phase Loan pay off/stabilization for which specific sources are identified; and 4) developer fees.

**General Contractor and Bonding Requirements:** The general contractor and the form of construction contract must be acceptable to CITI. CITI will require payment and performance bonds equal to 100% of the construction contract amount. Surety issuing bonds must have an A.M. Best rating of "A/XIV" and must be acceptable to CITI in all other respects. In lieu of bonds, CITI will accept a letter of credit ("LC") equal to 10% of the initial construction contract amount. LC provider must be rated "A" or better.

**Retainage:** Construction contract will provide for retainage of 10% of each construction pay application until 50% completion and the reduced to 5% of each construction pay application until substantial completion of construction is achieved unless other arrangements have been approved by CITI. All retained amounts will be released upon final, lien-free completion of construction, as approved by CITI.

**Appraisal, Environmental, Plan & Cost Evaluation Review:** Appraisal and Plan/Cost Review reports will be commissioned and reviewed by CITI. CITI may rely upon environmental reports commissioned by Borrower if report is current (within 12 months) and CITI has been provided evidence of

acceptable E&O insurance coverage carried by Borrower's environmental consultant and a reliance letter in form acceptable to CITI. Appraisal, environmental condition and plan/cost reviews must be acceptable to CITI in all respects.

**Property Tax Abatements, Incentives:** All documentation related to any tax abatement or tax incentives must be acceptable to CITI in all respects.

**Developer Fee:** Any developer fee paid prior to Construction Phase Loan pay down shall be pre-approved by CITI in its sole discretion.

**Availability of ACCs:** If applicable, prior to closing, CITI must receive from HUD an acceptable commitment to provide the ACC required to operate the public housing units at break-even. In addition, CITI must review and approve anticipated capital funding appropriations connected to the ACCs.

**Public Housing:** Since the seller/landlord of the Property is the Miami-Dade Public Housing and Community Development ("MDPHCD") and since the Property will continue to be operated in accordance with public housing guidelines with operating subsidies coming from HUD to MDPHCD and in turn to the Borrower, Borrower will be required to fund reserves as noted below. In addition, the Regulatory & Operating Agreement ("R&O"), Land Use Restriction Agreement, ACC, and other documents relative to the public housing nature of the Property are subject to CITI's full review and approval.

**ACC Reserve, Operating Reserve:** CITI will require an ACC & Operating Reserve totaling the higher of 1) a minimum of six months of operating expenses or 2) the ACC & Operating Reserve required by the LIHTC equity investor. Changes to the amount of ACC units or other factors related to the ACC units may require additions to the ACC reserve.

**FEES**

**Due Diligence Deposit:** $25,000, per phase, which amount shall be non-refundable and payable upon acceptance of a preliminary application. This fee is applicable toward third party reports, loan underwriting and processing (in the minimum amount of $5,000), and CITI's initial legal fees. Applicant is responsible for the payment of all reasonable costs incurred in connection with the underwriting, processing and/or closing of the Funding Loan (including CITI legal fees).

**Origination Fee:** A non-refundable Origination Fee equal to 1.0% of the Construction Phase Loan Amount (the "Origination Fee") shall be earned in full by CITI upon the closing of the Funding Loan, and is due and payable at that time.

**Construction Phase Extension Fee:** An extension fee equal to 0.25% of the Construction Phase Loan Amount is payable prior to the first, six month extension and an extension fee equal to 0.50% of the Construction Phase Loan Amount is payable prior to the second, six month extension.

| | |
|---|---|
| **CITI Legal Fees (est):** | Estimated fees of CITI's counsel for the initial closing is $65,000 per phase and assumes no significant negotiation over CITI's form documents. A portion of the Application Fee will be applied to initial CITI counsel fees. Applicant agrees to make a supplemental deposit to cover CITI's counsel fees once the drafting of legal documentation commences, if requested. |
| **Course of Construction Inspections (*est*):** | TBD |
| **Other Costs:** | Borrower is responsible for costs of survey, title insurance policy, hazard insurance policy, tax escrow fee and all other normal and customary loan closing expenses. |

This Term Sheet is provided for information purposes and is intended for your use only. Except in those jurisdictions where it is impermissible to make such a statement, CITI hereby informs you that this Term Sheet should not be considered as a solicitation or offer to sell or purchase any securities or other financial products. This Term Sheet does not constitute investment advice and does not purport to identify all risks or material considerations which should be considered when undertaking a transaction. CITI makes no recommendation as to the suitability of any of the products or transactions mentioned. Any trading or investment decisions you take are in reliance on your own analysis and judgment and/or that of your advisors and not in reliance on us.

CITI often acts as (i) a market maker; (ii) an issuer of financial instruments and other products; and (iii) trades as principal in many different financial instruments and other products, and can be expected to perform or seek to perform investment banking and other services for the issuer of such financial instruments or other products. The author of this Term Sheet may have discussed the information contained herein with others within or outside CITI and the author and/or such other CITI personnel may have already acted on the basis of this information (including by trading for CITI's proprietary accounts or communicating the information contained herein to other customers of CITI). CITI, CITI's personnel (including those with whom the author may have consulted in the preparation of this Term Sheet), and other customers of CITI may be long or short the financial instruments or other products referred to in this Term Sheet, may have acquired such positions at prices and market conditions that are no longer available, and may have interests different from or adverse to your interests.

CITI is required to obtain, verify and record certain information that identifies each entity that enters into a formal business relationship with CITI. CITI will ask for your complete name, street address, and taxpayer ID number. CITI may also request corporate formation documents, or other forms of identification, to verify information provided.

Although Citibank, N.A. (together with its subsidiaries and branches worldwide, "Citibank") is an affiliate of CITI, you should be aware that none of the financial instruments or other products mentioned in this term sheet (unless expressly stated otherwise) are (i) insured by the Federal Deposit Insurance Corporation or any other governmental authority, or (ii) deposits or other obligations of, or guaranteed by, Citibank or any other insured depository institution.

**IRS Circular 230 Disclosure**: CITI and its employees are not in the business of providing, and do not provide, tax or legal advice to any taxpayer outside of CITI. Any statements in this term sheet regarding tax matters were not intended or written to be used, and cannot be used or relied upon, by any taxpayer for the purpose of avoiding tax penalties. Any such taxpayer should seek advice based on the taxpayer's particular circumstances from an independent tax advisor.

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## EXHIBIT B

### Initial Due Diligence/Underwriting Completed

1. Review of proposed income and expense statements (budget).
2. Review of estimated sources and uses statement.
3. Inspection of proposed site and sub market.
4. Review of CITI's servicing portfolio to determine comparability of rents and expenses
5. Review of financial information of Sponsor, Borrower and principals of each.

citi

Liberty Square RFP — Preliminary Review

| | | | IA | IB | 2 | 4B | 4C | 4D |
|---|---|---|---|---|---|---|---|---|
| | | Preliminary NOI | 801,000 | 381,754 | 381,754 | 377,408 | 1,125,083 | 2,383,224 |
| | | Amort | 35 | 35 | 35 | 35 | 35 | 35 |
| | | Assumed Rate | 4.74% | 4.74% | 4.74% | 4.74% | 4.74% | 4.74% |
| | | | 1.15 | 1.15 | 1.15 | 1.15 | 1.15 | 1.15 |
| | | Max Perm Loan | $11,888,594 | $5,666,065 | $5,666,065 | $5,601,561 | $16,698,696 | $35,372,264 |
| | | **TOTAL** | | | | | | |
| Request - Perm* | | **78,450,000** | **10,750,000** | **5,650,000** | **5,650,000** | **5,350,000** | **16,150,000** | **34,900,000** |
| Per Unit | | | 49,769 | 26,157 | 26,157 | 44,583 | 134,583 | 145,417 |
| Request - Constr | | **129,050,000** | **22,500,000** | **21,000,000** | **22,000,000** | **12,500,000** | **16,150,000** | **34,900,000** |
| Per Unit | | | 104,167 | 97,222 | 101,852 | 104,167 | 134,583 | 145,417 |
| **Total Units** | **1,128** | | **216** | **216** | **216** | **120** | **120** | **240** |
| PHA | 465 | | 105 | 180 | 180 | | | |
| 50% | 84 | | | | | 12 | 24 | 48 |
| 60% | 291 | | 111 | 36 | 36 | 108 | | |
| 120% | 288 | | | | | | 96 | 192 |
| **Sources:** | | | | | | | | |
| | | Tax Credit Equity | $ 20,202,085 | $ 19,806,955 | $ 19,455,019 | $ 11,007,480 | $ 2,218,912 | $ 3,956,206 |
| | | Tax-Exempt Bonds | 10,750,000 | 5,650,000 | 5,650,000 | 5,350,000 | 16,150,000 | 34,900,000 |
| | | Sub Debt | 13,900,000 | 19,867,800 | 18,087,816 | 8,121,100 | 5,400,000 | 4,700,000 |
| | | Def Dev Fee | 746,456 | 864,304 | 840,411 | 562,661 | 1,828,316 | 1,684,845 |
| | | Total | $ 45,598,541 | $ 46,189,059 | $ 44,033,246 | $ 25,041,241 | $ 25,597,228 | $ 45,241,051 |
| **Uses:** | | | | | | | | |
| | | Ground Lease Pmt | $ 540,000 | $ 540,000 | $ 540,000 | $ 300,000 | $ 300,000 | $ 600,000 |
| | | Construction Costs | 26,544,000 | 26,944,000 | 25,544,000 | 14,080,000 | 14,080,000 | 26,160,000 |
| | | GC Fees | 3,716,160 | 3,772,160 | 3,576,160 | 1,971,200 | 1,971,200 | 3,662,400 |
| | | Hard Cost Contngcy | 1,513,008 | 1,535,808 | 1,456,008 | 802,560 | 802,560 | 1,491,120 |
| | | Soft Costs | 6,553,362 | 6,588,158 | 6,436,998 | 4,170,226 | 4,681,303 | 6,695,835 |
| | | Developer Fees | 6,732,011 | 6,808,933 | 6,480,080 | 3,717,255 | 3,762,165 | 6,631,697 |
| | | Total | $ 45,598,541 | $ 46,189,059 | $ 44,033,246 | $ 25,041,241 | $ 25,597,228 | $ 45,241,051 |

* CITI is only providing construction financing. However, CITI has assumed, for take-out purposes, the parameters noted above for sizing the permanent loans.

BOSTON FINANCIAL
INVESTMENT MANAGEMENT

Boston Financial
Investment Management, LP
*a Limited Partnership*

101 Arch Street
Boston, Massachusetts 02110
T: 617.439.3911
F: 617.439.9978
www.bfim.com

February 1, 2016

Albert Milo, Jr.
RUDG, LLC
315 South Biscayne Boulevard
Miami, FL 33131

**Re: Liberty Square Rising Phase 1A**

Dear Albert,

We appreciate the opportunity to become the investment partner in **Liberty Square Rising Phase 1A** (the "Property"). This letter of intent ("LOI") summarizes the proposed investment terms and conditions by which a limited partnership or limited liability company formed by Boston Financial Investment Management, LP ("Boston Financial") would acquire an interest in the Company (as defined below).

As further detailed in Section 2.2 below, BFLP (as defined below) would proceed to make capital contributions to the Company of $20,202,085 or the equivalent of approximately $1.12 per dollar of credit.

## 1. Project Assumptions

We have made the following assumptions in evaluating this investment:

### 1.1 Development Structure

- The Company. A to be formed Special Purpose Entity, an affiliate of RUDG, LLC (the "Company") will be formed to develop, construct, and operate the Property.
- Investor and Special Limited Partners. An entity affiliated with Boston Financial ("BFLP") will purchase a 99.99% limited ownership interest in the Company ("Admission") upon satisfactory completion of the conditions contained in this LOI. A corporation affiliated with Boston Financial will be a special limited member in the Company with certain restricted management rights and a small interest in sale proceeds (the "Special Member").
- Manager. A to be formed Special Purpose Entity, a for-profit entity and an affiliate of RUDG, LLC will serve as the Manager of the Company (the "Manager").
- Developer. A to be formed Special Purpose Entity, an affiliate of RUDG, LLC will serve as the developer of the property (the "Developer").
- Guarantor. The obligations of the Developer and Manager must be guaranteed by an entity (the "Guarantor") acceptable to Boston Financial. The Guarantor must maintain sufficient net worth and liquidity to meet its obligations (but in no event less than $10 million of net worth and $2 million in liquidity). Boston Financial will have the right to accept or reject the

Guarantor in its sole discretion based on a detailed review of the Guarantor's financial statements.

- General Contractor. The general contractor will be Fortune Construction Company, LLP or another entity acceptable to Boston Financial. Construction must be fully bonded or secured by a letter of credit equal to 15% of the construction contract.
- Management Agent. The Property will be managed by TRG Management Company, LLP or another agent acceptable to Boston Financial (the "Management Agent"). The Management Agent (i) will have demonstrated experience managing Section 42 properties and (ii) will receive a competitive management fee, which shall not exceed the maximum amount permitted by HUD. The Management Agent will enter into an agreement to defer and accrue its fee, if necessary, to prevent (i) a default under the mortgage loan documents and (ii) to avoid an operating deficit. Breach of this agreement will be grounds for removal of the Management Agent.

### 1.2 Property Design and Development Schedule

- The Property will be developed as the new construction of 216 units. The unit and income mix will include:

**Property Design:**

| Units | Beds | Inc AMI | Rent AMI | Set-Aside | Subsidy |
|---|---|---|---|---|---|
| 71 | Three | 33% | 33% | None | ACC |
| 34 | Four | 33% | 33% | None | ACC |
| 56 | Three | 60% | 60% | None | None |
| 55 | Four | 60% | 60% | None | None |

### 1.3 Financing*

| Type | Lender | Amount ($) | Rate (%) | Fixed Rate? | Term | Amort | Hard Payments? |
|---|---|---|---|---|---|---|---|
| Const. | Citibank, N.A. | 22,500,000 | SIFMA + 250 bps | No | 24mths | N/A | Interest Only |
| Perm | Pillar Multifamily, LLC | 10,750,000 | 4.74% | Yes | 35 | 35 | P&I |
| Const/ Perm | Soft Financing | 13,900,000 | TBD | TBD | TBD | TBD | Cash Flow |

### 1.4 Other

- Each building will be depreciated over 27.5 years.
- Any interest income earned by the Company on the capital contributions of BFLP and any other Company reserve or escrow accounts (whether such amount is held by the Company or held by a lender) will be specially allocated to the Manager.

## 2. Tax Credits and Capital Contributions

### 2.1 Tax Credit Assumptions

- Eligible Housing Credit Request Amount: $1,803,938.
- Total Housing Credit Allocation for Investment: $1,803,938 x 99.99% x 10 = $18,037,576.
- Tax Credit Price: $1.12.

- Total Capital Contributions: $20,202,085.

### 2.2 Capital Contributions

Based upon the assumptions that you submitted and subject to the satisfactory completion of Boston Financial's due diligence, BFLP will make capital contributions to the Company in the aggregate amounts and at the times shown below:

| # | Payment Conditions | Amount ($) | % |
|---|---|---|---|
| 1 | Admission | $4,040,417 | 20.0 |
| 2 | 50% Completion | 2,020,209 | 10.0 |
| 2 | Completion | 2,020,209 | 10.0 |
| 3 | Stabilization | 11,111,147 | 55.0 |
| 4 | Receipt of 8609(s) | 1,010,103 | 5.0 |
| | **TOTAL** | **20,202,085** | **100.0** |
| | **Price Per Credit – Federal LIHTC** | **1.12** | |

**NOTE**: The total equity paid prior to construction completion is $6,060,626. The admission payment is paid prior to, or simultaneous to the construction closing.

Installments are due only after the prior installment's conditions have been met. Installments may be adjusted based on actual or projected tax credit delivery schedules as prepared by the Company accountants.

### 2.3 Capital Adjusters

The installments of equity shall be subject to standard tax credit timing and steady state adjuster calculations subject to the availability of funds.

### 2.4 Development Fee

The Developer shall earn a development fee in an amount not to exceed the maximum amount allowed pursuant to FHFC, City of Miami and/or Miami Dade County guidelines. We expect some amount ("Deferred Development Fee") will be outstanding after payment of all installments of equity. Payment of any Deferred Development Fee will be subject to available cash flow and may bear interest, if acceptable to Boston Financial, based on its review of tax implications associated with the fee. The Manager shall be obligated to pay any amount of outstanding Deferred Development Fee prior to the end of the thirteenth anniversary of the date the Property is placed in service.

## 3. Manager Obligations

The Manager and Guarantor will have the following obligations.

**3.1 Development Obligation.** The Developer is obligated to (i) deliver a completed, lien-free project (including all final Certificates of Occupancy and an ALTA survey), in accordance with the plans and specifications based upon fixed development costs including funding of development fee and all required reserves and (ii) arrive at Final Closing (as defined below). If the proceeds available are insufficient to pay all Eligible Development Costs, the Developer shall advance to the Company such funds as are required to pay such deficiencies through the latest of the date the

Property achieves (i) the first anniversary of Completion, (ii) Final Closing, (iii) Stabilization Date, and (iv) the receipt of final Forms 8609s from the allocating agency for each building in the Property (the "Development Obligation Date" or "DOD"). The Manager will be obligated to guaranty this obligation and any cost overruns, development deficiencies or loan conversion gaps not paid for by the Developer shall be paid by the Manager and will be without reimbursement.

"Final Closing" means the date upon which all of the following events have occurred: (i) the Completion Date, (ii) Permanent Mortgage Commencement, (iii) the Property being free of any mechanics' or other liens (except for the Mortgages and liens either bonded against in such a manner as to preclude the holder thereof from having any recourse to the Property or the Company for payment of any debt secured thereby or affirmatively insured against (in such manner as precludes recourse to the Company for any loss incurred by the insurer) by the Title Policy (or by another policy of title insurance) issued to the Company by an acceptable title insurance company in an amount satisfactory to Investor Tax Counsel (or by an endorsement of either such title policy)), (iv) the completion by the Accountants of a certified audit, approved by the Investor Member, of the Company's and the Builder's construction costs as a part of cost certification, (v) the agreement and acceptance of such cost certification by (a) Boston Financial and (b) by the Lenders and the Governmental Agency to the extent required by the Lenders and the Governmental Agency, (vi) the date of delivery to and acceptance by Boston Financial of an ALTA Survey, (vii) the disbursement of proceeds under the Mortgage Loans has been made in the full amount permitted by such cost certification, (viii) all amounts due in connection with the construction of the Project have been paid or provided for, and (ix) the full funding of any reserves required under the Mortgage Loan Documents and the Company Agreement (except for any reserves to be funded from future installments or other identified sources).

"Stabilization Date" means the first day following the three most recent consecutive calendar months commencing on or after the Completion Date, during each of which, as determined by the Accountants, subject to reasonable review by Boston Financial, the Property has achieved a Debt Service Coverage Ratio of 1.15; provided, however, that if the Stabilization Date occurs prior to Final Closing, the Property will not be deemed to have achieved the Stabilization Date unless and until all other conditions to Final Closing have been satisfied.

"Tax Credit Determination" means the date the Accountants determine the amount of the Tax Credits, and determine that the Project satisfies the requirements of Section 42(h)(4) of the Code.

**3.2 Operating Obligation.** Commencing on the date of Admission, the Manager will be obligated to advance funds needed to cover operating deficits (including full replacement reserve funding acceptable to Boston Financial, and, after the DOD, normal repairs and necessary capital improvements) such that the Company has $1 of surplus cash at all times. The Manager's obligation will be unlimited through the end of the Compliance Period and such advances will not be reimbursed and treated as Special Capital Contributions prior to the DOD and subsequent to the DOD will be treated as Operating Expense Loans, which will bear no interest and will be repayable solely from future available cash flow or sale proceeds.

Commencing on the DOD, the Managing Member's Operating Obligation and the Guarantor's guaranty of the Managing Member's Operating Obligation shall be limited to $935,660. Subject to the operating reserve being fully funded to its original balance, the Gurantor's guaranty of the Operating Obligation shall terminate upon the later of the (i) the fifth anniversary of the DOD or (ii) the Property achieving a 1.15x DSCR as confirmed by audited financial statements, acceptable to Boston Financial, for the most recent fiscal year. Any operating deficits may be funded by the operating reserve prior to the Guarantor under the terms of its operating obligation guaranty. Funds

drawn from the Operating Reserve will be replenished from available Cash Flow and must be fully replenished prior to the termination of the Guarantor's operating obligation.

**3.3 Repurchase Obligation.** The Manager will be obligated to repurchase BFLP's interest in the Company, for a price equal to 106% of the Net Capital Contribution payable to the Company less amounts not yet paid into the Company, plus any interest or penalties from recapture, if (1) Final Closing of the mortgage loan is not achieved by the maturity date of the construction loan (subject to an extension if existing loan commitments are similarly extended), (2) an action is commenced to foreclose, abandon, or permanently enjoin construction of the Property which is not being diligently defended or otherwise adequately addressed by the Company or the Manager, (3) the Property is disqualified from obtaining 30% or more of the tax credits, or (4) other significant issues occur which materially impact BFLP's investment as agreed to in the Company Agreement. For a limited period of time, the Company will have an opportunity to cure any such problems.

**3.4 Compliance Obligation.** The Manager shall take any and all actions required to ensure that the Property will continue to qualify for low-income tax credits.

**3.5 Tax Credit Adjusters.** The Manager shall be obligated to fund adjustments to the capital contributions resulting from a reduction in the credit amount as noted above, if a reduction in capital contributions is not otherwise available.

**3.6 Management Rights.** The consent of Boston Financial will be required to: (a) sell or refinance the Property, (b) withdraw, admit, or substitute the Manager, or (c) sell, assign, encumber, or pledge the general Company interests. In addition, (a) in the event the Manager files for bankruptcy, (b) if the Company or the Manager are in material default under their commitments and obligations, or (c) in certain other circumstances, BFLP after reasonable notice and cure period will have the right to remove the Manager and substitute the Special Limited Partner or another affiliate of Boston Financial as a successor Manager with the powers of Manager.

**3.7 Manager Standard Obligations, Representations, and Warranties.** The Manager will be responsible for all customary Manager obligations and indemnifications and for the accuracy of all customary representations and warranties to the Company and BFLP. We have assumed that there are no existing environmental issues affecting the site or project.

## 4. Allocation and Distributions

The tax credits, depreciation, and operating profits and losses of the Company shall be allocated 99.99% to BFLP and 0.01% to the Manager. With respect to taxable income, we have assumed a 27.5 year depreciation schedule for building improvements, 15 years for land improvements, and 5 years for personal property.

Cash flow from operations after payment of operating expenses and funding of required replacement reserves shall be distributed as follows:

| | |
|---|---|
| First, | to BFLP to pay its annual cumulative Priority Distribution (Asset Management Fee) of $5,000, adjusted annually by the annual percentage increase in CPI; |
| Second, | to BFLP an amount equal to any unpaid tax credit shortfall payments; |
| Third, | to the Manager as payment of the Deferred Development Fee; |
| Fourth, | to the Manager to repay any Operating Expense Loans; |
| Fifth, | 10% to BFLP; and |
| Sixth, | 90% to the Manager, first as payment of a non-cumulative Incentive Management Fee up to 12% of EGI less amounts paid to the Management Agent, then as a distribution. |

Boston Financial's Investor Limited Partner ("ILP") and Special Limited Partner ("SLP") will grant to the Manager an option (the "Option") to purchase all of the interest (but not less than all) of the ILP and SLP at any time following the close of the Compliance Period. The purchase price for the Interest of the ILP and SLP shall be equal to an appraised fair market value, as calculated at the time the Option is exercised by the Manager. The ILP and the SLP shall have the right to require the Company to purchase all of the interest (but not less than all) of the ILP and the SLP for $1,000 and $100, respectively, respectively, following the close of the 10-year credit period.

If the Option is not exercised, the net proceeds of a sale or refinancing shall be distributed as follows:

| | |
|---|---|
| First, | to discharge the debts and obligations of the Company; |
| Second, | to fund reserves for contingent liabilities to the extent deemed necessary by the Manager; |
| Third, | to BFLP an amount equal to any unpaid tax credit shortfall payments; |
| Fourth, | to the Manager to repay any Operating Expense Loans; |
| Seventh, | to the repayment of any outstanding Deferred Development Fee; |
| Eighth, | $10,000 to the Special Limited Partner; and |
| Ninth, | 10% to BFLP and 90% to the Manager. |

## 5. Reporting

The Company shall furnish Boston Financial with quarterly unaudited financial statements. Annual audited financial statements and tax returns shall be prepared by an independent firm of certified public accountants, approved by Boston Financial, familiar with reporting requirements applicable to LIHTC properties. Annual tax returns shall be provided by February 15th, and annual audited financial statements by March 1st.

## 6. Due Diligence and Closing Process

Boston Financial has completed premilinary underwriting which is attached as Exhibit A to this letter. Upon receipt of an executed copy of this letter, the parties will agree upon a mutually acceptable due diligence period and closing schedule.

Boston Financial's decision to invest in the Company, the final terms of such investment and the admission of BFLP to the Company are subject to the satisfactory completion of Boston Financial's due diligence process, including without limitation, review and approval of the following due diligence items:

a) Engineering. All related due diligence, including all plans and specifications, the construction budget, and related construction documents. If property is to be rehabilitated this includes a Capital Needs Assessment, Replacement Reserve Analysis, and unit by unit inspection paid for by the Company, which will evaluate the construction scope of work, the construction documents and budget.

b) Environmental. Phase I Environmental Report (ASTM 1527-13 Standards), the Phase II Environmental Report (if applicable), and completion of any work recommended therein. Boston Financial requires that all third-party reports provide reliance letters which are not limited in time or amount.

c) Market Study. Boston Financial's Market Study which will evaluate the Property's suitability and marketability as a LIHTC property, including review of rents and expenses.

d) Financial and Capacity Review. A satisfactory review by Boston Financial's Chief Credit Officer of 1) the audited financial statements of the Manager, Company, Developer, Guarantor, Contractor, and affiliates, and 2) the Statement of Real Estate Owned by the Manager, Developer, Guarantor, and affiliates.

e) Background and Credit Review. Backgrounds and credit worthiness of the Manager, Developer, Guarantor, Property Management Agent, and Contractor.

f) Insurance. Receipt of a satisfactory insurance policy insuring against fire and other casualty in an amount equal to the full replacement cost of the Property. A combined single limit property damage and commercial general liability insurance policy in the amount of not less than $1 million per occurrence/$2 million aggregate with an umbrella policy of no less than $3 million. The primary limits must be on a "per location" basis and the Investor Limited Partner, Special Limited Partner, and Company are to be Additional Insured by Endorsement.

g) Receipt of satisfactory commitments and form loan documents for construction and permanent financing.

h) Site inspection by Boston Financial.

i) ALTA Owner's Policy of Title Insurance.

j) Acceptable Company and tax opinions.

k) Satisfactory negotiation and execution of all legal documentation required to consummate the transactions contemplated by this LOI.

l) Approval of the terms of the investment by Boston Financial's Capital Committee in its sole and absolute discretion and satisfaction of such other conditions as it may require.

m) Accountants. The Company's accountants shall be either Novogradac & Co., LLP or the Reznick Group. Any other accountant will require consent by Boston Financial in its sole and absolute discretion.

## 7. Costs, Expenses, and Legal Counsel

In addition to any expenses that are the responsibility of the Manager it shall pay Boston Financial a due diligence fee in the amount of $50,000 (the "Due Diligence Fee"). The Due Diligence Fee shall be payable upon Admission of BFLP. If this LOI is terminated by Boston Financial then any unspent Due Diligence Fee shall be reimbursed to the Manager within 30 days of such termination.

## 8. Confidentiality and Exclusivity

The Manager, affiliates, and agents shall not disclose the terms of this LOI to any other potential investor and/or limited member. The Manager acknowledges that Boston Financial will incur certain costs and expenses in connection with its due diligence review. Upon execution hereof, unless this LOI is otherwise terminated, the Manager, its affiliates and agents, agree that it will not

continue to market the Property to any prospective investors nor will it accept any competing offers made by any prospective investors to invest in the Property.

## 9. Governing Law

This agreement shall be construed and interpreted in accordance with the laws of The Commonwealth of Massachusetts, except for any rule of such laws which would make the law of another jurisdiction applicable.

## 10. Acceptance and Term

If the Manager accepts and approves the terms, please have the authorized party so indicate by signing below. By executing this agreement, the Manager is confirming to Boston Financial that the Company and its affiliates and agents will undertake the transaction set forth herein with Boston Financial, will use their best efforts to meet the conditions set forth herein, and will suspend discussions with other parties with respect to their acquisition of this investment. This agreement may only be terminated if the conditions set forth herein are not met and such termination will be effective upon the provision of written notice by Boston Financial. The above are the general terms and conditions of the proposed transaction which are offered on a best efforts basis which is conditioned upon our ability to secure an investor

We look forward to working with you.

Sincerely,

Greg Voyentzie
Executive Vice President

AGREED & ACCEPTED:

Gilberto Mirla

By: Alberto Mirla, Jr

Date: 2/4/16

# Boston Financial - BFIM Liberty Square Rising Phase 1A, LLC
# TAX CREDIT INVESTMENT MODEL

## DEVELOPER REPORT

## Liberty Square Rising Phase 1A, Miami, FL

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EXHIBIT 2 SOURCES AND USES OF FUNDS AT FINAL CLOSING
EXHIBIT 3 GAP ANALYSIS


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Version 3.5.2

# EXH. 2 - SOURCES AND USES OF FUNDS AT FINAL CLOSING

| SOURCES OF FUNDS | | % of Total | Per Unit | DEBT | | % of Total | Per Unit |
|---|---|---|---|---|---|---|---|
| BFIM Liberty Square Rising Phase 1A, LLC Capital Contribution | 20,202,085 | 44% | 93,528 | Lender 1 | 10,750,000 | 24% | 49,769 |
| Accrued Interest from Interim Loan | 0 | 0% | 0 | Lender 2 | 0 | 0% | 0 |
| Total Mortgages | 24,650,000 | 54% | 114,121 | Lender 3 | 0 | 0% | 0 |
| Related Group Florida Capital Contribution | 0 | 0% | 0 | Lender 4 | 13,900,000 | 30% | 64,352 |
| Cash Flow through Completion | 0 | 0% | 0 | Lender 5 | 0 | 0% | 0 |
| Interest Income from Bond and Equity Proceeds | 0 | 0% | 0 | Lender 6 | 0 | 0% | 0 |
| Outside State Credit Investor | 0 | 0% | 0 | DDF | 0 | 0% | 0 |
| Other Sources | 0 | 0% | 0 | Lender 8 | 0 | 0% | 0 |
| Acquired Reserves | 0 | 0% | 0 | Lender 9 | 0 | 0% | 0 |
| Deferred Development Fee | 746,456 | 2% | 3,456 | Lender 10 | 0 | 0% | 0 |
| TOTAL SOURCES OF FUNDS | 45,598,541 | 100% | 211,105 | Total Debt | 24,650,000 | 54% | 114,121 |

| USES OF FUNDS | | | | Tax Treatment of Expenditures: Eligible Depreciable Basis | Acquisition Cost | Other Depreciable Items | Amortizable & Expensed Items | Other Items |
|---|---|---|---|---|---|---|---|---|
| Construction Costs | | | | | | | | |
| Hard Costs: | Construction Costs (excluding LI, PP) | | 25,778,880 | 25,778,880 | 0 | 0 | | 0 |
| | Land Improvements | | 648,000 | 648,000 | 0 | 0 | | 0 |
| | Personal Property | | 648,000 | 648,000 | 0 | 0 | | 0 |
| | Builder's Profit and Overhead | | 3,185,280 | 3,185,280 | 0 | 0 | | 0 |
| | Builder's Bond Premium | | 188,431 | 188,431 | 0 | 0 | | 0 |
| Soft Costs: | Architect and Engineering Fees | | 673,000 | 673,000 | 0 | 0 | | 0 |
| | Building Permits | | 265,440 | 265,440 | 0 | 0 | | 0 |
| | Survey | | 10,000 | 10,000 | 0 | 0 | | |
| | Other Eligible Fees | | 40,000 | 40,000 | 0 | 0 | | |
| Financing: | Construction Loan Interest | | 500,000 | 500,000 | 0 | | 0 | |
| | Gap Loan Interest | | 0 | 0 | 0 | | 0 | |
| | Construction Loan Expenses | | 31,500 | 31,500 | 0 | | 0 | |
| | Construction Loan Financing Fee | | 325,480 | 325,480 | 0 | | 0 | |
| Other: | Construction Insurance | | 288,341 | 288,341 | 0 | | 0 | |
| | Real Estate Taxes | | 0 | 0 | 0 | | 0 | |
| | Tax Credit Agency Fees | | 304,941 | 0 | 0 | | 304,941 | |
| | Contingency | | 1,513,008 | 1,513,008 | 0 | 0 | | 0 |
| | Other Eligible Development Costs | | 916,000 | 916,000 | 0 | 0 | | |
| | Other Ineligible Development Costs | | 157,636 | 0 | 0 | | | 157,636 |
| Permanent Financing | | | | | | | | |
| | Permanent Loan Expenses | | 0 | 0 | 0 | | 0 | |
| | Permanent Loan Financing Fee | | 0 | 0 | 0 | | 0 | |
| | Bond Costs | | 192,500 | 0 | 0 | | 192,500 | |
| Organizational Costs | | | | | | | | |
| | Legal and Accounting Costs | | 410,000 | 320,000 | 0 | | 90,000 | 0 |
| | Title and Recording Costs | | 199,080 | 149,310 | 0 | | 49,770 | 0 |
| Acquisition Costs | | | | | | | | |
| | Structures | | 0 | 0 | 0 | 0 | | 0 |
| | Land (w/ associated Title & Recording) | | 570,000 | 0 | 0 | | | 570,000 |
| Other Costs | | | | | | | | |
| | Acquired Reserves | | 0 | 0 | 0 | 0 | 0 | 0 |
| | Tenant Relocation | | 555,000 | 555,000 | 0 | 0 | 0 | 0 |
| | Initial Rent-Up and Marketing Costs | | 50,000 | 0 | 0 | | 50,000 | |
| | Utility Connection Fees | | 259,200 | 259,200 | 0 | | 0 | 0 |
| | Accrued Interest from Interim Loan | | 0 | 0 | 0 | | 0 | |
| | Soft Cost Contingency | | 216,380 | 201,936 | 0 | | 14,444 | |
| | Other 3 | | 0 | 0 | 0 | | 0 | |
| | BFIM Due Diligence Fee | | 50,000 | 0 | 0 | | 0 | 50,000 |
| Reserves | | | | | | | | |
| | Initial Rep Res Bal | | 64,800 | 0 | 0 | | | 64,800 |
| | Debt Service Res | 08/01/18 | 0 | 0 | 0 | | | 0 |
| | Rent-Up Reserve | | 100,000 | 0 | 0 | | | 100,000 |
| | Operating Reserve | | 467,831 | 0 | 0 | | | 467,831 |
| | Opertaing Subsidy Reserve | | 257,802 | 0 | 0 | | | 257,802 |
| **Subtotal Uses of Funds** | | | | 38,866,530 | 36,496,806 | 0 | 0 | 701,655 | 1,668,069 |
| | Development Fee | 17.32% | of Costs | 6,732,011 | 6,732,011 | 0 | | | |
| | Other Payments | 0.00% | of Costs | 0 | | | | | 0 |
| TOTAL USES OF FUNDS | | | | 45,598,541 | 43,228,817 | 0 | 0 | 701,655 | 1,668,069 |

Total Fees paid in cash to Related Group Florida from development proceeds: 5,985,555 *[88.91%]*

# EXH. 3 - GAP ANALYSIS

| Construction Completion and Final Closing GAP Analysis | | 2/1/18 | 3/1/18 | 8/1/18 |
|---|---|---|---|---|
| | | Construction | Completion | Final Closing |
| Construction Loan | | 22,500,000 | 22,500,000 | 0 |
| Cash Flow and Interest Income through Completion | | 0 | 0 | 0 |
| First Permanent Loan | | 0 | 0 | 10,750,000 |
| Additional Permanent Loan(s) | | 13,900,000 | 13,900,000 | 13,900,000 |
| BFIM LLC Equity | Admission | 4,040,417 | 4,040,417 | 4,040,417 |
| | During Construction | 2,020,209 | 2,020,209 | 2,020,209 |
| | Completion Date | 0 | 2,020,209 | 2,020,209 |
| | Final Closing | 0 | 0 | 11,111,147 |
| GP & Outside Investor Equity | | 0 | 0 | 0 |
| Total | | 42,460,626 | 44,480,835 | 43,841,982 |
| Construction costs | | 38,866,530 | 38,866,530 | 38,866,530 |
| Less: | Accrued Interest from Interim Loan | 0 | 0 | 0 |
| | Initial Rent-Up and Marketing Costs | (50,000) | (50,000) | 0 |
| | Reserves | (890,433) | (725,633) | 0 |
| | Deferrals | 0 | 0 | |
| Total construction costs | | 37,926,097 | 38,090,897 | 38,866,530 |
| Development Fee/(Shortfall) | | 4,534,529 | 6,389,938 | 4,975,452 |
| BFIM LLC Equity Later Installments | | | | 1,010,103 |
| GP & Outside Investor Equity | | | | 0 |
| Total Development Fee/(Shortfall) | | | | 5,985,555 |
| Potential Shortfall in Permanent Loan Amount | | | | 0 |
| Total Development Fee/(Shortfall) | | | | 5,985,555 |

| Deal Liquidity | Admission | Completion | Final Closing |
|---|---|---|---|
| Cash Development Fee | 5,985,555 | 5,985,555 | 5,985,555 |
| Less Development Fee paid to Date | 0 | 0 | 0 |
| Plus Operating Reserves | 725,633 | 725,633 | 725,633 |
| Plus Contingency | 1,513,008 | 1,513,008 | 1,513,008 |
| Subtotal: Net Cash Available | 8,224,196 | 8,224,196 | 8,224,196 |
| Total Development Costs | 45,598,541 | 45,598,541 | 45,598,541 |
| Less Acquisition Costs | (540,000) | (540,000) | (540,000) |
| Less Organizational Costs | (639,080) | (639,080) | (639,080) |
| Less Construction Loan Fees and Expenses | (356,980) | (356,980) | (356,980) |
| Less Permanent Financing Costs | (192,500) | (192,500) | (192,500) |
| Less Soft Costs | (980,940) | (980,940) | (980,940) |
| Less Deferred Development Fee | (746,456) | (746,456) | (746,456) |
| Less Net Cash Available | (8,224,196) | (8,224,196) | (8,224,196) |
| Subtotal: Net Total Costs | 33,918,389 | 33,918,389 | 33,918,389 |
| Deal Liquidity | 24.25% | 24.25% | 24.25% |
| | | Total Deal Liquidity $ | 8,388,996 |
| | | Total Deal Liquidity % | 22.55% |

50% TEST

| | |
|---|---|
| 50% Test | 51.41% |
| Eligible Basis | 43,228,817 |
| Other Deprec. | 0 |
| Land | 540,000 |
| Subtotal | 43,768,817 |
| T/E bond | 22,500,000 |

Permanent Loan Funding Analysis

| | | |
|---|---|---|
| First/Second Mortgage Amount | 10,750,000 | 0 |
| Funding Requirements: | | |
| Rate | 4.74% | 1.00% |
| Amortization | 35 | 40 |
| Debt Service Constant | 5.86% | 3.03% |
| Estimated Proforma NOI | 871,691 | 871,691 |
| Debt service Coverage Ratio | 120% | 1.20 |
| Maximum NOI available for Loan | 726,409 | 96,594 |
| Maximum Calculated Permanent Loan | 12,399,000 | 0 |
| Decrease in Permanent Loan Amount | | 0 |

CAPITAL PAYMENTS TO Liberty Square Rising Phase 1A, LP

| % Total | Release Contingency | Amount | Estimated Release Date | Cumulative Percentage |
|---|---|---|---|---|
| 20.0% | Admission | $4,040,417 | 01-Aug-16 | 20.0% |
| 10.0% | 50% Completion and Date Certain | 2,020,209 | 01-Jul-17 | 30.0% |
| 10.0% | 100% Completion and Date Certain | 2,020,209 | 01-Mar-18 | 40.0% |
| 55.0% | Final Closing, Stabilization and Date Certai | 11,111,147 | 01-Aug-18 | 95.0% |
| 5.0% | 8609s and Date Certain | 1,010,103 | 01-Sep-18 | 100.0% |
| 0.0% | | 0 | 01-Sep-18 | 100.0% |
| 0.0% | | 0 | 01-Dec-18 | 100.0% |
| 0.0% | | 0 | 01-Mar-19 | 100.0% |
| 0.0% | | 0 | 02-Mar-19 | 100.0% |
| 0.0% | | 0 | 02-Mar-19 | 100.0% |
| 0.0% | | 0 | 02-Mar-19 | 100.0% |
| 0.0% | | 0 | 02-Mar-19 | 100.0% |
| 0.0% | | 0 | 02-Mar-19 | 100.0% |
| 0.0% | | 0 | 02-Mar-19 | 100.0% |
| 0.0% | | 0 | 02-Mar-19 | 100.0% |
| 0.0% | | 0 | 02-Mar-19 | 100.0% |
| 0.0% | | 0 | 02-Mar-19 | 100.0% |
| 0.0% | | 0 | 02-Mar-19 | 100.0% |
| 100.0% | Total Capital Payments | $20,202,085 | | |

Pillar

PILLAR MULTIFAMILY
AN AFFILIATE OF GUGGENHEIM PARTNERS
330 Madison Avenue
NEW YORK, NEW YORK 10017
PILLARFINANCE.COM

February 4, 2016

Mr. Tony Del Pozzo
Mr. Albert Milo
RUDG, LLC
315 S. Biscayne Blvd. – 4th Floor
Miami, FL 33131

Re: Liberty Square Rising (the "Property"), 1,488 units
Miami, FL

Gentlemen:

Based on our review and analysis of the information you have supplied, we are pleased to provide the following permanent financing commitment for your proposed Liberty Square Rising development located in Miami-Dade County, Florida.

| | |
|---|---|
| Borrower/Applicant: | Affiliate of RUDG, LLC or such other entity acceptable to Lender. |
| Manager: | Affiliate of RUDG, LLC or such other entity acceptable to Lender. |
| Developer: | Affiliate of RUDG, LLC or such other entity acceptable to Lender. |
| Guarantor: | PRH Investments LLC or such other entity acceptable to Lender. |
| Loan / Purpose: | Permanent financing to each phase of the Project in the below amounts, subject to final underwriting: |

| Phase | Permanent Loan Amount |
|---|---|
| Liberty Square - Phase 1A Lincoln Gardens | $10,750,000 |
| Liberty Square - Phase 1B | $5,650,000 |
| Liberty Square - Phase 2 | $5,650,000 |
| Liberty Square - Phase 3A | $5,750,000 |
| Liberty Square - Phase 3B | $4,000,000 |
| Liberty Square - Phase 4B | $5,350,000 |
| Liberty Square - Phase 4C | $16,150,000 |
| Liberty Square - Phase 4D | $34,900,000 |
| | $88,200,000 |

| | |
|---|---|
| Term: | 17 Years (2 year unfunded forward commitment followed by 15 year term) |
| Interest Rate: | The interest rate on the Loan (the "Interest Rate") is estimated to be 4.74%. which rate assumes that the yield on the 10-Year Treasury at the time of rate lock is 2.00%. The Interest Rate is an estimate and |

| | |
|---|---|
| | components of the Interest Rate adjust daily and are subject to overall fluctuations in the capital markets. |
| Commitment Fee: | 1.0% of the loan amount |
| Collateral: | First mortgage; other typical pledges and assignments. |
| Guarantee: | Non-recourse to the Borrower and Guarantors, with standard carve-outs (the carve outs include, without limitation, delivery assurance, guarantees against fraud, misrepresentation, environmental and waste). |
| Loan to Value: | 90% |
| Minimum DSCR: | 1.15x based on the actual Interest Rate determined at Rate Lock. |
| Amortization Period: | 35 Years |
| Subordinate Financing: | Subordinate Financing will be permitted subject to Pillar's approval. |
| Additional: | Any real estate tax PILOT or exemption is subject to full and final due diligence and must be structured in accordance with all Pillar and applicable Agency guidelines. |
| Lending Program: | Freddie Mac or Fannie Mae |

This commitment is contingent upon credit approval and completion of the underwriting and due diligence process, including without limitation receipt of appraisals, environmental reports, Lender engineer's reports and all final budgets and operating pro forma, all satisfactory to Lender in its sole and absolute discretion. We reserve the right to modify and/or add to any terms described in this letter following receipt and review of due diligence materials. The foregoing is intended to summarize the structure and basic terms and conditions (subject to modification upon completion of due diligence by Lender) upon which Lender may provide the financing described herein and is not an inclusive statement of all provisions, documents or requirements of a closing. This commitment shall be null and void and of no further effect if not executed and returned on or before February 22, 2016.

Sincerely,
PILLAR MULTIFAMILY, LLC

By: _____
Paul Sherrington
Authorized Signatory

By the execution below, the undersigned Applicant acknowledges and agrees to the foregoing terms and conditions of this Application.

Agreed To and Accepted:

By: _____

Date: 2/4/16

Pillar

**Liberty Square - Phase 1A**

**Preliminary Loan Sizing**

| | |
|---|---|
| # Units | 216 |
| Loan Amount | $ 10,750,000 |
| | |
| 10-yr Treasury Rate (assumed at closing) | 2.00% |
| Spread (assumed at closing) | 2.74% |
| Total Rate (assumed at closing) | 4.74% |

| INCOME | Loan Sizing | | |
|---|---|---|---|
| | Amount | % | $/Unit |
| Gross Potential Rent | $2,144,993 | 100.0% | $9,931 |
| Vacancy | -$93,240 | -7.2% | ($432) |
| Bad Debt/Collection Loss | $0 | 0.0% | $0 |
| Concessions | $0 | 0.0% | $0 |
| Baseline Adjustment (PHA Asset Mgmt fee) | -$30,629 | -1.5% | ($142) |
| Net Rental Income | $2,021,124 | 100.0% | $9,357 |
| | | | |
| Commercial Income | $0 | 0.0% | $0 |
| Commercial Vacancy | $0 | 0.0% | $0 |
| Net Commercial Income | $0 | 0.0% | $0 |
| | | | |
| Laundry/Vending | $0 | 0.0% | $0 |
| Parking | $0 | 0.0% | $0 |
| Other Income | $21,600 | 1.1% | $100 |
| Effective Gross Income | $2,042,724 | 101.1% | $9,457 |
| | | | |
| Real Estate Taxes | $144,145 | 7.1% | $667 |
| Property Insurance | $129,600 | 6.4% | $600 |
| Utilities | $129,600 | 6.4% | $600 |
| Repairs and Maintenance | $216,000 | 10.7% | $1,000 |
| Management Fee | $122,583 | 6.0% | $567 |
| Payroll and Benefits | $259,200 | 12.8% | $1,200 |
| Marketing | $21,600 | 1.1% | $100 |
| Professional Fees | $21,600 | 1.1% | $100 |
| General and Administrative | $32,400 | 1.6% | $150 |
| Other Expenses | $100,000 | 4.9% | $463 |
| Ground Rent | $0 | 0.0% | $0 |
| Total Expenses | $1,176,708 | 58.2% | $5,448 |
| | | | |
| Net Operating Income | $866,016 | 42.8% | $4,009 |
| | | | |
| Capital Reserve | $64,800 | 3.2% | $300 |
| Extraordinary Capital Items | $0 | 0.0% | $0 |
| Total Capital Expenses | $64,800 | 3.2% | $300 |
| | | | |
| Total Expenses Incl Cap'l Expenses | $1,241,508 | 60.8% | $5,748 |
| | | | |
| Net Cash Flow (NOI w/Cap'l Expenses) | $801,216 | 39.2% | $3,709 |

| | |
|---|---|
| First Mortgage Debt Service | 629,814 |
| First Mortgage DSCR | 1.27 |
| CFFP DS | 64,000 |
| Total DSCR | 1.15 |

Pillar

**Liberty Square - Phase 1B**

**Preliminary Loan Sizing**

| | | |
|---|---|---|
| # Units | | 216 |
| Loan Amount | $ | 5,650,000 |
| | | |
| 10-yr Treasury Rate (assumed at closing) | | 2.00% |
| Spread (assumed at closing) | | 2.74% |
| Total Rate (assumed at closing) | | 4.74% |

| INCOME | Loan Sizing | | |
|---|---|---|---|
| | Amount | % | $/Unit |
| Gross Potential Rent | $1,653,113 | 100.0% | $7,653 |
| Vacancy | -$37,474 | 2.3% | ($173) |
| Bad Debt/Collection Loss | $0 | 0.0% | $0 |
| Concessions | $0 | 0.0% | $0 |
| Baseline Adjustment (PHA Asset Mgmt Fee) | -$52,507 | -3.4% | ($243) |
| **Net Rental Income** | **$1,563,132** | **100.0%** | **$7,237** |
| | | | |
| Commercial Income | $0 | 0.0% | $0 |
| Commercial Vacancy | $0 | 0.0% | $0 |
| **Net Commercial Income** | **$0** | **0.0%** | **$0** |
| | | | |
| Laundry/Vending | $0 | 0.0% | $0 |
| Parking | $0 | 0.0% | $0 |
| Other Income | $21,600 | 1.4% | $100 |
| **Effective Gross Income** | **$1,584,732** | **101.4%** | **$7,337** |
| | | | |
| Real Estate Taxes | $89,894 | 5.8% | $416 |
| Property Insurance | $129,600 | 8.3% | $600 |
| Utilities | $129,600 | 8.3% | $600 |
| Repairs and Maintenance | $216,000 | 13.8% | $1,000 |
| Management Fee | $95,084 | 6.0% | $440 |
| Payroll and Benefits | $302,400 | 19.3% | $1,400 |
| Marketing | $21,600 | 1.4% | $100 |
| Professional Fees | $21,600 | 1.4% | $100 |
| General and Administrative | $32,400 | 2.1% | $150 |
| Other Expenses (Resident Services) | $100,000 | 6.4% | $463 |
| Ground Rent | $0 | 0.0% | $0 |
| **Total Expenses** | **$1,138,178** | **72.8%** | **$5,269** |
| | | | |
| **Net Operating Income** | **$446,554** | **28.6%** | **$2,067** |
| | | | |
| Capital Reserve | $64,800 | 4.1% | $300 |
| Extraordinary Capital Items | $0 | 0.0% | $0 |
| **Total Capital Expenses** | **$64,800** | **4.1%** | **$300** |
| | | | |
| **Total Expenses Incl Cap'l Expenses** | **$1,202,978** | **76.9%** | **$5,569** |
| | | | |
| **Net Cash Flow (NOI w/Cap'l Expenses)** | **$381,754** | **24.1%** | **$1,767** |
| | | | |
| **Debt Service** | **331,019** | | |
| **Actual Debt Service Coverage** | **1.15** | | |

Pillar

**Liberty Square - Phase 2**

**Preliminary Loan Sizing**

| | |
|---|---|
| # Units | 216 |
| Loan Amount | $ 5,650,000 |
| | |
| 10-yr Treasury Rate (assumed at closing) | 2.00% |
| Spread (assumed at closing) | 2.74% |
| Total Rate (assumed at closing) | 4.74% |

| INCOME | Loan Sizing | | |
|---|---|---|---|
| | Amount | % | $/Unit |
| Gross Potential Rent | $1,653,113 | 100.0% | $7,653 |
| Vacancy | -$37,474 | 2.3% | ($173) |
| Bad Debt/Collection Loss | $0 | 0.0% | $0 |
| Concessions | $0 | 0.0% | $0 |
| Baseline Adjustment (PHA Asset Mgmt Fee) | -$52,507 | -3.4% | ($243) |
| **Net Rental Income** | **$1,563,132** | **100.0%** | **$7,237** |
| | | | |
| Commercial Income | $0 | 0.0% | $0 |
| Commercial Vacancy | $0 | 0.0% | $0 |
| **Net Commercial Income** | **$0** | **0.0%** | **$0** |
| | | | |
| Laundry/Vending | $0 | 0.0% | $0 |
| Parking | $0 | 0.0% | $0 |
| Other Income | $21,600 | 1.4% | $100 |
| **Effective Gross Income** | **$1,584,732** | **101.4%** | **$7,337** |
| | | | |
| Real Estate Taxes | $89,894 | 5.8% | $416 |
| Property Insurance | $129,600 | 8.3% | $600 |
| Utilities | $129,600 | 8.3% | $600 |
| Repairs and Maintenance | $216,000 | 13.8% | $1,000 |
| Management Fee | $95,084 | 6.0% | $440 |
| Payroll and Benefits | $302,400 | 19.3% | $1,400 |
| Marketing | $21,600 | 1.4% | $100 |
| Professional Fees | $21,600 | 1.4% | $100 |
| General and Administrative | $32,400 | 2.1% | $150 |
| Other Expenses (Resident Services) | $100,000 | 6.4% | $463 |
| Ground Rent | $0 | 0.0% | $0 |
| **Total Expenses** | **$1,138,178** | **72.8%** | **$5,269** |
| | | | |
| **Net Operating Income** | **$446,554** | **28.6%** | **$2,067** |
| | | | |
| Capital Reserve | $64,800 | 4.1% | $300 |
| Extraordinary Capital Items | $0 | 0.0% | $0 |
| **Total Capital Expenses** | **$64,800** | **4.1%** | **$300** |
| | | | |
| **Total Expenses Incl Cap'l Expenses** | **$1,202,978** | **76.9%** | **$5,569** |
| | | | |
| **Net Cash Flow (NOI w/Cap'l Expenses)** | **$381,754** | **24.1%** | **$1,767** |
| | | | |
| **Debt Service** | 331,019 | | |
| **Actual Debt Service Coverage** | 1.15 | | |

Pillar

**Liberty Square - Phase 3A**

**Preliminary Loan Sizing**

| | | |
|---|---|---|
| # Units | | 216 |
| Loan Amount | $ | 5,750,000 |
| | | |
| 10-yr Treasury Rate (assumed at closing) | | 2.00% |
| Spread (assumed at closing) | | 2.74% |
| Total Rate (assumed at closing) | | 4.74% |

| INCOME | Loan Sizing | | |
|---|---|---|---|
| | Amount | % | $/Unit |
| Gross Potential Rent | $1,665,121 | 100.0% | $7,709 |
| Vacancy | -$39,595 | 2.4% | ($183) |
| Bad Debt/Collection Loss | $0 | 0.0% | $0 |
| Concessions | $0 | 0.0% | $0 |
| Baseline Adjustment (PHA Asset Mgmt Fee) | -$51,341 | -3.3% | ($238) |
| **Net Rental Income** | **$1,574,185** | **100.0%** | **$7,288** |
| | | | |
| Commercial Income | $0 | 0.0% | $0 |
| Commercial Vacancy | $0 | 0.0% | $0 |
| **Net Commercial Income** | **$0** | **0.0%** | **$0** |
| | | | |
| Laundry/Vending | $0 | 0.0% | $0 |
| Parking | $0 | 0.0% | $0 |
| Other Income | $21,600 | 1.4% | $100 |
| **Effective Gross Income** | **$1,595,785** | **101.4%** | **$7,388** |
| | | | |
| Real Estate Taxes | $91,874 | 5.8% | $425 |
| Property Insurance | $129,600 | 8.2% | $600 |
| Utilities | $129,600 | 8.2% | $600 |
| Repairs and Maintenance | $216,000 | 13.7% | $1,000 |
| Management Fee | $95,747 | 6.0% | $443 |
| Payroll and Benefits | $302,400 | 19.2% | $1,400 |
| Marketing | $21,600 | 1.4% | $100 |
| Professional Fees | $21,600 | 1.4% | $100 |
| General and Administrative | $32,400 | 2.1% | $150 |
| Other Expenses (Resident Services) | $100,000 | 6.4% | $463 |
| Ground Rent | $0 | 0.0% | $0 |
| **Total Expenses** | **$1,140,821** | **72.6%** | **$5,282** |
| | | | |
| **Net Operating Income** | **$454,964** | **28.9%** | **$2,108** |
| | | | |
| Capital Reserve | $64,800 | 4.1% | $300 |
| Extraordinary Capital Items | $0 | 0.0% | $0 |
| **Total Capital Expenses** | **$64,800** | **4.1%** | **$300** |
| | | | |
| **Total Expenses Incl Cap'l Expenses** | **$1,205,621** | **76.6%** | **$5,582** |
| | | | |
| **Net Cash Flow (NOI w/Cap'l Expenses)** | **$390,164** | **24.4%** | **$1,806** |
| | | | |
| **Debt Service** | **336,878** | | |
| **Actual Debt Service Coverage** | **1.16** | | |

Pillar

**Liberty Square - Phase 3B**

**Preliminary Loan Sizing**

| | | |
|---|---|---|
| # Units | | 144 |
| Loan Amount | $ | 4,000,000 |
| | | |
| 10-yr Treasury Rate (assumed at closing) | | 2.00% |
| Spread (assumed at closing) | | 2.74% |
| Total Rate (assumed at closing) | | 4.74% |

| INCOME | Loan Sizing | | |
|---|---|---|---|
| | Amount | % | $/Unit |
| Gross Potential Rent | $1,150,108 | 100.0% | $7,987 |
| Vacancy | -$33,465 | 2.9% | ($232) |
| Bad Debt/Collection Loss | $0 | 0.0% | $0 |
| Concessions | $0 | 0.0% | $0 |
| Baseline Adjustment (PHA Asset Mgmt Fee) | -$30,338 | -2.8% | ($211) |
| **Net Rental Income** | $1,086,306 | 100.0% | $7,544 |
| | | | |
| Commercial Income | $0 | 0.0% | $0 |
| Commercial Vacancy | $0 | 0.0% | $0 |
| **Net Commercial Income** | $0 | 0.0% | $0 |
| | | | |
| Laundry/Vending | $0 | 0.0% | $0 |
| Parking | $0 | 0.0% | $0 |
| Other Income | $14,400 | 1.3% | $100 |
| **Effective Gross Income** | $1,100,705 | 101.3% | $7,644 |
| | | | |
| Real Estate Taxes | $68,169 | 6.3% | $473 |
| Property Insurance | $86,400 | 8.0% | $600 |
| Utilities | $86,400 | 8.0% | $600 |
| Repairs and Maintenance | $144,000 | 13.3% | $1,000 |
| Management Fee | $66,042 | 6.0% | $459 |
| Payroll and Benefits | $201,600 | 18.6% | $1,400 |
| Marketing | $14,400 | 1.3% | $100 |
| Professional Fees | $14,400 | 1.3% | $100 |
| General and Administrative | $21,600 | 2.0% | $150 |
| Other Expenses (Resident Services) | $65,000 | 6.0% | $451 |
| Ground Rent | $0 | 0.0% | $0 |
| **Total Expenses** | $768,011 | 70.7% | $5,333 |
| | | | |
| **Net Operating Income** | $332,694 | 30.6% | $2,310 |
| | | | |
| Capital Reserve | $43,200 | 3.9% | $300 |
| Extraordinary Capital Items | $0 | 0.0% | $0 |
| **Total Capital Expenses** | $43,200 | 3.9% | $300 |
| | | | |
| **Total Expenses incl Cap'l Expenses** | $811,211 | 73.7% | $5,633 |
| | | | |
| **Net Cash Flow (NOI w/Cap'l Expenses)** | $289,494 | 26.3% | $2,010 |

| | |
|---|---|
| **First Mortgage Debt Service** | 234,360 |
| **First Mortgage DSCR** | 1.24 |
| **Surtax DS** | 16,000 |
| **Total DSCR** | 1.16 |

Pillar

**Liberty Square - Phase 4B**

**Preliminary Loan Sizing**

| | | |
|---|---|---|
| # Units | | 120 |
| Loan Amount | $ | 5,350,000 |
| | | |
| 10-yr Treasury Rate (assumed at closing) | | 2.00% |
| Spread (assumed at closing) | | 2.74% |
| Total Rate (assumed at closing) | | 4.74% |

| INCOME | Loan Sizing | | |
|---|---|---|---|
| | Amount | % | $/Unit |
| Gross Potential Rent | $1,048,896 | 100.0% | $8,741 |
| Vacancy | $63,654 | 6.1% | ($530) |
| Bad Debt/Collection Loss | $0 | 0.0% | $0 |
| Concessions | $0 | 0.0% | $0 |
| Baseline Adjustment (PHA Asset Mgmt Fee) | $0 | 0.0% | $0 |
| **Net Rental Income** | **$985,242** | **100.0%** | **$8,210** |
| | | | |
| Commercial Income | $0 | 0.0% | $0 |
| Commercial Vacancy | $0 | 0.0% | $0 |
| **Net Commercial Income** | **$0** | **0.0%** | **$0** |
| | | | |
| Laundry/Vending | $0 | 0.0% | $0 |
| Parking | $0 | 0.0% | $0 |
| Other Income | $12,000 | 1.2% | $100 |
| **Effective Gross Income** | **$997,242** | **101.2%** | **$8,310** |
| | | | |
| Real Estate Taxes | $0 | 0.0% | $0 |
| Property Insurance | $72,000 | 7.3% | $600 |
| Utilities | $72,000 | 7.3% | $600 |
| Repairs and Maintenance | $120,000 | 12.2% | $1,000 |
| Management Fee | $59,835 | 6.0% | $499 |
| Payroll and Benefits | $168,000 | 17.1% | $1,400 |
| Marketing | $12,000 | 1.2% | $100 |
| Professional Fees | $12,000 | 1.2% | $100 |
| General and Administrative | $18,000 | 1.8% | $150 |
| Other Expenses (Resident Services) | $50,000 | 5.1% | $417 |
| Ground Rent | $0 | 0.0% | $0 |
| **Total Expenses** | **$583,835** | **59.3%** | **$4,865** |
| | | | |
| **Net Operating Income** | **$413,407** | **42.0%** | **$3,445** |
| | | | |
| Capital Reserve | $36,000 | 3.6% | $300 |
| Extraordinary Capital Items | $0 | 0.0% | $0 |
| **Total Capital Expenses** | **$36,000** | **3.6%** | **$300** |
| | | | |
| **Total Expenses Incl Cap'l Expenses** | **$619,835** | **62.2%** | **$5,165** |
| | | | |
| **Net Cash Flow (NOI w/Cap'l Expenses)** | **$377,407** | **37.8%** | **$3,145** |

| | |
|---|---|
| **First Mortgage Debt Service** | 313,443 |
| **First Mortgage DSCR** | 1.20 |
| **Surtax DS** | 13,000 |
| **Total DSCR** | 1.16 |

Pillar

**Liberty Square - Phase 4C**

**Preliminary Loan Sizing**

| | |
|---|---|
| # Units | 120 |
| Loan Amount | $ 16,150,000 |
| 10-yr Treasury Rate (assumed at closing) | 2.00% |
| Spread (assumed at closing) | 2.74% |
| Total Rate (assumed at closing) | 4.74% |

| INCOME | Loan Sizing Amount | % | $/Unit |
|---|---|---|---|
| Gross Potential Rent | $2,113,776 | 100.0% | $17,615 |
| Vacancy | -$127,547 | 6.0% | ($1,063) |
| Bad Debt/Collection Loss | $0 | 0.0% | $0 |
| Concessions | $0 | 0.0% | $0 |
| Baseline Adjustment (PHA Asset Mgmt Fee) | $0 | 0.0% | $0 |
| **Net Rental Income** | $1,986,229 | 100.0% | $16,552 |
| Commercial Income | $0 | 0.0% | $0 |
| Commercial Vacancy | $0 | 0.0% | $0 |
| **Net Commercial Income** | $0 | 0.0% | $0 |
| Laundry/Vending | $0 | 0.0% | $0 |
| Parking | $0 | 0.0% | $0 |
| Other Income | $12,000 | 0.6% | $100 |
| **Effective Gross Income** | $1,998,229 | 100.6% | $16,652 |
| Real Estate Taxes | $143,253 | 7.2% | $1,194 |
| Property Insurance | $72,000 | 3.6% | $600 |
| Utilities | $72,000 | 3.6% | $600 |
| Repairs and Maintenance | $120,000 | 6.0% | $1,000 |
| Management Fee | $118,894 | 6.0% | $999 |
| Payroll and Benefits | $168,000 | 8.5% | $1,400 |
| Marketing | $12,000 | 0.6% | $100 |
| Professional Fees | $12,000 | 0.6% | $100 |
| General and Administrative | $18,000 | 0.9% | $150 |
| Other Expenses (Resident Services) | $100,000 | 5.0% | $833 |
| Ground Rent | $0 | 0.0% | $0 |
| **Total Expenses** | $837,147 | 42.1% | $6,976 |
| **Net Operating Income** | $1,161,082 | 58.5% | $9,676 |
| Capital Reserve | $36,000 | 1.8% | $300 |
| Extraordinary Capital Items | $0 | 0.0% | $0 |
| **Total Capital Expenses** | $36,000 | 1.8% | $300 |
| **Total Expenses Incl Cap'l Expenses** | $873,147 | 43.7% | $7,276 |
| **Net Cash Flow (NOI w/Cap'l Expenses)** | $1,125,082 | 56.3% | $9,376 |

| | |
|---|---|
| **First Mortgage Debt Service** | 948,186 |
| **First Mortgage DSCR** | 1.19 |
| **Surtax DS** | 30,000 |
| **Total DSCR** | 1.15 |

Pillar

**Liberty Square - Phase 4D**

**Preliminary Loan Sizing**

| | |
|---|---|
| # Units | 240 |
| Loan Amount | $ 34,900,000 |
| | |
| 10-yr Treasury Rate (assumed at closing) | 2.00% |
| Spread (assumed at closing) | 2.74% |
| Total Rate (assumed at closing) | 4.74% |

| INCOME | Loan Sizing | | |
|---|---|---|---|
| | Amount | % | $/Unit |
| Gross Potential Rent | $4,227,552 | 100.0% | $17,615 |
| Vacancy | -$255,093 | 6.0% | ($1,063) |
| Bad Debt/Collection Loss | $0 | 0.0% | $0 |
| Concessions | $0 | 0.0% | $0 |
| Baseline Adjustment (PHA Asset Mgmt Fee) | $0 | 0.0% | $0 |
| **Net Rental Income** | **$3,972,459** | **100.0%** | **$16,552** |
| | | | |
| Commercial Income | $0 | 0.0% | $0 |
| Commercial Vacancy | $0 | 0.0% | $0 |
| **Net Commercial Income** | **$0** | **0.0%** | **$0** |
| | | | |
| Laundry/Vending | $0 | 0.0% | $0 |
| Parking | $0 | 0.0% | $0 |
| Other Income | $24,000 | 0.6% | $100 |
| **Effective Gross Income** | **$3,996,459** | **100.6%** | **$16,652** |
| | | | |
| Real Estate Taxes | $303,448 | 7.6% | $1,264 |
| Property Insurance | $144,000 | 3.6% | $600 |
| Utilities | $144,000 | 3.6% | $600 |
| Repairs and Maintenance | $240,000 | 6.0% | $1,000 |
| Management Fee | $238,788 | 6.0% | $999 |
| Payroll and Benefits | $336,000 | 8.5% | $1,400 |
| Marketing | $24,000 | 0.6% | $100 |
| Professional Fees | $24,000 | 0.6% | $100 |
| General and Administrative | $36,000 | 0.9% | $150 |
| Other Expenses (Resident Services) | $50,000 | 1.3% | $208 |
| Ground Rent | $0 | 0.0% | $0 |
| **Total Expenses** | **$1,541,236** | **38.6%** | **$6,422** |
| | | | |
| **Net Operating Income** | **$2,455,223** | **61.8%** | **$10,230** |
| | | | |
| Capital Reserve | $72,000 | 1.8% | $300 |
| Extraordinary Capital Items | $0 | 0.0% | $0 |
| **Total Capital Expenses** | **$72,000** | **1.8%** | **$300** |
| | | | |
| **Total Expenses Incl Cap'l Expenses** | **$1,613,236** | **40.4%** | **$6,722** |
| | | | |
| **Net Cash Flow (NOI w/Cap'l Expenses)** | **$2,383,223** | **59.6%** | **$9,930** |

| | |
|---|---|
| **First Mortgage Debt Service** | 2,044,700 |
| **First Mortgage DSCR** | 1.17 |
| **Surtax DS** | 17,000 |
| **Total DSCR** | 1.16 |

## SECTION 3.11.A) PROJECT FINANCE APPROACH – PHASE 1B

Pro Forma

Construction Lender Firm Commitment

Construction Lender Underwriting

Equity Firm Commitment

Equity Underwriting

Permanent Lender Firm Commitment

Permanent Lender Underwriting

# Liberty Square Rising - Phase 1B
## EXECUTIVE SUMMARY

Address -
Miami, FL
Total Units 216

| SOURCES | Construction Source of Funds | Per Unit | Permanent Source of Funds | Per Unit |
|---|---|---|---|---|
| Tax Credit Equity: | 5,942,087 | 27,510 | 19,806,955 | 91,699 |
| Bonds | 21,000,000 | 97,222 | 5,650,000 | 26,157 |
| HOME | 2,200,000 | 10,185 | 2,200,000 | 10,185 |
| SAIL | 5,000,000 | 23,148 | 5,000,000 | 23,148 |
| SAIL ELI | 1,767,800 | 8,184 | 1,767,800 | 8,184 |
| FHLB | 1,000,000 | 4,630 | 1,000,000 | 4,630 |
| County GOB | 9,900,000 | 45,833 | 9,900,000 | 45,833 |
| Deferred Developer Fee: | 3,404,467 | 15,761 | 864,304 | 4,001 |
| **TOTAL** | **50,214,353** | **232,474** | **46,189,059** | **213,838** |

| USES | | Total | Per Unit |
|---|---|---|---|
| **Acquisition** | | | |
| Acquisition Costs | | 540,000 | 2,500 |
| **Construction** | | | |
| Residential Construction | | 23,544,000 | 109,000 |
| Repair 70 Existing Liberty Square Units | | 1,400,000 | |
| 20,000 SF Community Center | | 2,000,000 | |
| GC Fees | 14% | 3,772,160 | |
| Hard Cost Contingency | 5% | 1,535,808 | |
| Total Construction | | 32,251,968 | 149,315 |
| **Soft Costs** | | | |
| Accountant Cost Cert: | | 50,000 | |
| Third party (appraisal, inspections, survey etc.) | | 56,500 | |
| Environmental | | 10,000 | |
| Architectural & Engineering | | 889,000 | |
| Tenant Relocation | | 555,000 | |
| Other Project Soft Costs | | 2,100,945 | |
| Developer Legal Costs | | 180,000 | |
| Financing Costs - Issuance & Origination | | 451,980 | |
| Financing Legal Costs | | 210,000 | |
| Equity Syndication Costs | | 354,941 | |
| Replacement Reserve: | | 64,800 | |
| Lease Up Reserve | | 122,474 | |
| Operating Subsidy Reserve | | 441,947 | |
| Operating Deficit Reserve | | 383,499 | |
| Debt Reserve: | | 500,000 | |
| Soft Cost Contingency | 5% | 217,072 | |
| Soft Costs | | 6,588,158 | 30,501 |
| **TOTAL COSTS before Developer Fee** | | **39,380,126** | **182,315** |
| Developer Fee | | 6,808,933 | 31,523 |
| **TOTAL COSTS** | | **46,189,059** | **213,838** |
| **Total Development Costs Excluding Land** | | **45,649,059** | **211,338** |

**SCHEDULE OF FORECASTED BASE-YEAR REVENUES AND EXPENSES**

**Project:** Liberty Square Rising - Phase 1B
**Project County:** Miami Dade

| Income Level Served | Number of BRs | Number of Units | Pro Forma Rent | Annual Rent |
|---|---|---|---|---|
| **PHA** | 2 | 102 | 596.08 | 729,602 |
| **PHA** | 3 | 30 | 596.08 | 214,589 |
| **PHA** | 4 | 42 | 596.08 | 300,424 |
| **PHA** | 5 | 6 | 596.08 | 42,918 |
| **60%** | 1 | 9 | 706.00 | 76,248 |
| **60%** | 2 | 18 | 849.00 | 183,384 |
| **60%** | 3 | 9 | 981.00 | 105,948 |
| **Totals** | | 216 | | 1,653,113 |

| ANNUAL OPERATING | | CURRENT Annual | Annual Rents / Unit |
|---|---|---|---|
| Public Housing Units[1] | | 1,287,533 | 5,961 |
| Affordable Rents | | 365,580 | 1,693 |
| Total Gross Potential Rental Revenue | | **1,653,113** | **7,653** |
| Miscellaneous Revenue | | 21,600 | 100 |
| **Gross Potential Income** | | **1,674,713** | **7,753** |
| Vacancy and Collection Loss[2] | 6% | 37,474 | 173 |
| PHA Asset Management Fee | 5% | 52,507 | 243 |
| **EFFECTIVE GROSS INCOME (EGI)** | | **1,584,732** | **7,337** |
| General & Administrative | | 32,400 | 150 |
| Payroll | | 302,400 | 1,400 |
| Utilities | | 129,600 | 600 |
| Marketing | | 21,600 | 100 |
| Maintenance & repairs | | 75,600 | 350 |
| Security | | 75,600 | 350 |
| Service contracts | | 64,800 | 300 |
| Resident Services | | 100,000 | 463 |
| Management Fee | | 95,084 | 440 |
| Professional services | | 21,600 | 100 |
| **Subtotal - Controllable** | | 918,684 | 4,253 |
| Real Estate Taxes | | 89,894 | 416 |
| Property and Liability Ins. | | 129,600 | 600 |
| **Subtotal - Taxes & Insurance** | | 219,494 | 1,016 |
| **Total Annual Operating Expenses & Reserves** | | **1,138,178** | **5,269** |
| Replacement Reserve Deposits | | 64,800 | 300 |
| **NET OPERATING INCOME (LOSS)** | | **$ 381,754** | **$ 1,767** |

NOTES

1.) Net of operating subsidy proration which was approximately 11% in 2014

2.) Vacancy & Collection based on 6% of tenant paid rent only.

OPERATING PROFORMA - Liberty Square Rising - Phase 1B

| Revenue | Growth | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 | Year 9 | Year 10 | Year 11 | Year 12 | Year 13 | Year 14 | Year 15 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Rental Income** | | | | | | | | | | | | | | | | |
| Tenant Rent | 3.0% | 237,384 | 244,506 | 251,841 | 259,396 | 267,178 | 275,193 | 283,449 | 291,952 | 300,711 | 309,732 | 319,024 | 328,595 | 338,453 | 348,606 | 359,065 |
| Operating Subsidy | 3.0% | 883,894 | 910,410 | 937,723 | 965,854 | 994,830 | 1,024,675 | 1,055,415 | 1,087,078 | 1,119,690 | 1,153,281 | 1,187,879 | 1,223,515 | 1,260,221 | 1,298,028 | 1,336,968 |
| Utility Subsidy | 3.0% | 166,255 | 171,243 | 176,380 | 181,672 | 187,122 | 192,735 | 198,517 | 204,473 | 210,607 | 216,925 | 223,433 | 230,136 | 237,040 | 244,151 | 251,476 |
| Affordable Rents | 2.0% | 365,580 | 372,892 | 380,349 | 387,956 | 395,716 | 403,630 | 411,702 | 419,937 | 428,335 | 436,902 | 445,640 | 454,553 | 463,644 | 472,917 | 482,375 |
| **Total Rent Revenue** | | **1,653,113** | **1,699,050** | **1,746,293** | **1,794,878** | **1,844,845** | **1,896,233** | **1,949,084** | **2,003,439** | **2,059,343** | **2,116,840** | **2,175,976** | **2,236,799** | **2,299,358** | **2,363,702** | **2,429,884** |
| **Rent Loss** | | | | | | | | | | | | | | | | |
| Vacancy and Collection Loss | 6.0% | 37,474 | 38,366 | 39,280 | 40,216 | 41,176 | 42,160 | 43,169 | 44,202 | 45,261 | 46,347 | 47,460 | 48,600 | 49,769 | 50,968 | 52,196 |
| PHA Asset Management Fee | 5.0% | 52,507 | 54,083 | 55,705 | 57,376 | 59,098 | 60,871 | 62,697 | 64,578 | 66,515 | 68,510 | 70,566 | 72,683 | 74,863 | 77,109 | 79,422 |
| **Total Rent Loss** | | **89,981** | **92,448** | **94,985** | **97,593** | **100,274** | **103,031** | **105,865** | **108,780** | **111,776** | **114,857** | **118,025** | **121,283** | **124,632** | **128,077** | **131,619** |
| | | | 1.0274 | | | | | | | | | | | | | |
| **Other Revenue** | | | | | | | | | | | | | | | | |
| Miscellaneous Revenue | 2.0% | 21,600 | 22,032 | 22,473 | 22,922 | 23,381 | 23,848 | 24,325 | 24,812 | 25,308 | 25,814 | 26,330 | 26,857 | 27,394 | 27,942 | 28,501 |
| **Total Other Revenue** | | **21,600** | **22,032** | **22,473** | **22,922** | **23,381** | **23,848** | **24,325** | **24,812** | **25,308** | **25,814** | **26,330** | **26,857** | **27,394** | **27,942** | **28,501** |
| | | | 1.0200 | | | | | | | | | | | | | |
| **Total Revenue** | | **1,584,732** | **1,628,634** | **1,673,781** | **1,720,208** | **1,767,952** | **1,817,051** | **1,867,544** | **1,919,472** | **1,972,875** | **2,027,797** | **2,084,281** | **2,142,373** | **2,202,119** | **2,263,567** | **2,326,766** |
| **Expenses** | | | | | | | | | | | | | | | | |
| General & Administrative | 3.0% | 32,400 | 33,372 | 34,373 | 35,404 | 36,466 | 37,560 | 38,687 | 39,848 | 41,043 | 42,275 | 43,543 | 44,849 | 46,195 | 47,580 | 49,008 |
| Payroll | 3.0% | 302,400 | 311,472 | 320,816 | 330,441 | 340,354 | 350,564 | 361,081 | 371,914 | 383,071 | 394,563 | 406,400 | 418,592 | 431,150 | 444,085 | 457,407 |
| Utilities | 3.0% | 129,600 | 133,488 | 137,493 | 141,617 | 145,866 | 150,242 | 154,749 | 159,392 | 164,173 | 169,099 | 174,172 | 179,397 | 184,779 | 190,322 | 196,032 |
| Marketing | 3.0% | 21,600 | 22,248 | 22,915 | 23,603 | 24,311 | 25,040 | 25,792 | 26,565 | 27,362 | 28,183 | 29,029 | 29,899 | 30,796 | 31,720 | 32,672 |
| Maintenance & repairs | 3.0% | 75,600 | 77,868 | 80,204 | 82,610 | 85,088 | 87,641 | 90,270 | 92,978 | 95,768 | 98,641 | 101,600 | 104,648 | 107,788 | 111,021 | 114,352 |
| Security | 3.0% | 75,600 | 77,868 | 80,204 | 82,610 | 85,088 | 87,641 | 90,270 | 92,978 | 95,768 | 98,641 | 101,600 | 104,648 | 107,788 | 111,021 | 114,352 |
| Service contracts | 3.0% | 64,800 | 66,744 | 68,746 | 70,809 | 72,933 | 75,121 | 77,375 | 79,696 | 82,087 | 84,549 | 87,086 | 89,698 | 92,389 | 95,161 | 98,016 |
| Resident Services | 3.0% | 100,000 | 103,000 | 106,090 | 109,273 | 112,551 | 115,927 | 119,405 | 122,987 | 126,677 | 130,477 | 134,392 | 138,423 | 142,576 | 146,853 | 151,259 |
| Management Fee | 3.0% | 95,084 | 97,936 | 100,875 | 103,901 | 107,018 | 110,228 | 113,535 | 116,941 | 120,449 | 124,063 | 127,785 | 131,618 | 135,567 | 139,634 | 143,823 |
| Professional services | 3.0% | 21,600 | 22,248 | 22,915 | 23,603 | 24,311 | 25,040 | 25,792 | 26,565 | 27,362 | 28,183 | 29,029 | 29,899 | 30,796 | 31,720 | 32,672 |
| Real Estate Taxes | 3.0% | 89,894 | 92,591 | 95,369 | 98,230 | 101,177 | 104,212 | 107,338 | 110,558 | 113,875 | 117,291 | 120,810 | 124,434 | 128,167 | 132,012 | 135,973 |
| Insurance | 3.0% | 129,600 | 133,488 | 137,493 | 141,617 | 145,866 | 150,242 | 154,749 | 159,392 | 164,173 | 169,099 | 174,172 | 179,397 | 184,779 | 190,322 | 196,032 |
| **Total Cost of Operations** | | **1,138,178** | **1,172,323** | **1,207,493** | **1,243,718** | **1,281,029** | **1,319,460** | **1,359,044** | **1,399,815** | **1,441,810** | **1,485,064** | **1,529,616** | **1,575,504** | **1,622,770** | **1,671,453** | **1,721,596** |
| **Replacement Reserve Deposits** | 1.5% | **64,800** | **65,772** | **66,759** | **67,760** | **68,776** | **69,808** | **70,855** | **71,918** | **72,997** | **74,092** | **75,203** | **76,331** | **77,476** | **78,638** | **79,818** |
| **Net Operating Income** | | **381,754** | **390,539** | **399,529** | **408,730** | **418,146** | **427,782** | **437,645** | **447,738** | **458,069** | **468,641** | **479,462** | **490,538** | **501,874** | **513,476** | **525,352** |
| **Debt Service - Hard** | | | | | | | | | | | | | | | | |
| First Mortgage | Rate | | | | | | | | | | | | | | | |
| *Interest Payments* | 4.74% | 266,419 | 263,289 | 260,008 | 256,568 | 252,961 | 249,180 | 245,215 | 241,059 | 236,701 | 232,132 | 227,341 | 222,319 | 217,053 | 211,532 | 205,744 |
| *Principal Payments* | | 64,600 | 67,730 | 71,011 | 74,451 | 78,057 | 81,839 | 85,803 | 89,960 | 94,318 | 98,887 | 103,677 | 108,700 | 113,966 | 119,487 | 125,275 |
| Total | | 331,019 | 331,019 | 331,019 | 331,019 | 331,019 | 331,019 | 331,019 | 331,019 | 331,019 | 331,019 | 331,019 | 331,019 | 331,019 | 331,019 | 331,019 |
| **Hard Pay Debt Service** | | **331,019** | **331,019** | **331,019** | **331,019** | **331,019** | **331,019** | **331,019** | **331,019** | **331,019** | **331,019** | **331,019** | **331,019** | **331,019** | **331,019** | **331,019** |
| *DSCR* | | *1.15* | *1.18* | *1.21* | *1.23* | *1.26* | *1.29* | *1.32* | *1.35* | *1.38* | *1.42* | *1.45* | *1.48* | *1.52* | *1.55* | *1.59* |
| **Total Debt Service** | | 331,019 | 331,019 | 331,019 | 331,019 | 331,019 | 331,019 | 331,019 | 331,019 | 331,019 | 331,019 | 331,019 | 331,019 | 331,019 | 331,019 | 331,019 |
| **Before Tax Cash Flow** | | 50,735 | 59,520 | 68,510 | 77,711 | 87,127 | 96,764 | 106,626 | 116,720 | 127,050 | 137,623 | 148,444 | 159,519 | 170,855 | 182,458 | 194,333 |
| **Deferred Developer Fee Balance** | | 864,304 | 818,569 | 764,199 | 700,993 | 628,746 | 547,246 | 456,279 | 355,623 | 245,053 | 124,337 | - | - | - | - | - |
| LP Asset Management Fee: | 3.0% | 5,000 | 5,150 | 5,305 | 5,464 | 5,628 | 5,796 | 5,970 | 6,149 | 6,334 | 6,524 | 6,720 | 6,921 | 7,129 | 7,343 | 7,563 |
| Deferred Developer Fee and Interest: | | 45,735 | 54,370 | 63,206 | 72,248 | 81,500 | 90,967 | 100,656 | 110,570 | 120,716 | 124,337 | - | - | - | - | - |
| **Cash Flow after Developer Fee** | | - | - | - | - | - | - | - | - | - | 6,762 | 141,724 | 152,598 | 163,726 | 175,115 | 186,770 |

Community Capital

February 2, 2016

Mr. Alberto Milo, Jr.
Related Urban Development Group ("RUDG")
444 Brickell Avenue Suite 301
Miami, FL 33131

**Re: Commitment to utilize Private Activity Volume Cap to finance Multifamily Rental Projects relating to the new construction of eight projects to be known as Liberty Square Rising Phase 1A, Liberty Square Rising Phase 1B, Liberty Square Rising Phase 2, Liberty Square Rising Phase 4B, Liberty Square Rising Phase 4C, and Liberty Square Rising Phase 4D located in Miami-Dade County, Florida (the "Property" or "Properties")**

Ladies and Gentlemen:

Citibank, N.A.("CITI") is pleased to offer to RUDG ("Sponsor"), as the Sponsor of to-be-formed affiliates ("Borrower" or "Borrowers"), this commitment ("Commitment") for financing , subject to the terms, requirements and conditions which follow. All capitalized terms used herein, unless otherwise defined, shall have the meaning set forth on Exhibit A annexed hereto and incorporated herein by this reference (the "Commitment Terms"). CITI's decision to issue this Commitment was made in reliance upon the representations and material supplied by Sponsor and Sponsor's representatives, as more particularly described on Exhibit B annexed hereto. CITI understands that Sponsor intends to submit this Commitment to Miami-Dade County Housing Finance Authority ("Governmental Lender") in support of Sponsor's application to obtain 1) private activity volume cap allocation(s) with respect to the financing of the Properties and 2) soft financing from Miami-Dade County. **This Commitment is subject to, among other things, CITI completing due diligence to confirm the representations made by Sponsor and obtaining credit committee approval.**

**In connection with this Commitment, CITI will be acting solely as a principal and not as your agent, advisor or fiduciary. CITI has not assumed a fiduciary responsibility with respect to this Commitment, and nothing in this Commitment or in any prior relationship between you and CITI will be deemed to create an advisory, fiduciary or agency relationship between us in respect of this Commitment. You should consider carefully whether you would like to engage an independent advisor to represent or otherwise advise you in connection with this Commitment, if you have not already done so.**

A. **Transaction Summary.** The terms of the tax-exempt financing transaction (the "Transaction") that is the subject of this Commitment is as follows:

1. On the issuance date (the "Closing Date"), CITI shall fund a loan (the "Funding Loan") to Governmental Lender, and Governmental Lender shall simultaneously issue a note (the "Governmental Lender Note") to CITI. The proceeds of the Funding Loan shall be used by Governmental Lender to make a tax-exempt loan (the "Tax-Exempt Loan" or the "Borrower Loan") to Borrower to finance the Property, for which the Governmental Lender receives a borrower note (the "Borrower Note"). Borrower shall be responsible for securing the issuance and delivery of the Tax-Exempt Loan by the Governmental Lender.

2. Upon closing of the transaction, the rights of Governmental Lender in the Borrower Loan and all documents evidencing and securing the Borrower Loan (the "Borrower Loan Documents") shall be assigned to a fiscal agent, which may be CITI (the "Fiscal Agent"), as security for the

Governmental Lender's obligations to CITI evidenced by the Governmental Lender Note. CITI will administer and direct the disbursement of the proceeds of the Funding Loan and the Borrower Loan and will oversee the construction work to be performed on the Property (the "Improvements"). The completion of the Improvements and all related work shall be performed during the Construction Phase (as hereinafter defined).

3. CITI shall have the right to engage a third party servicer ("Servicer") to provide limited servicing/oversight functions on behalf of CITI pursuant to a separate servicing agreement with CITI. CITI shall pay Servicer any applicable servicing fee.

4. Intentionally Omitted

5. CITI anticipates that CITI's interest in the Tax-Exempt Loan may be transferred to any eligible investor, which may be a government sponsored enterprise or institutional investor (or a trust for the benefit thereof) and CITI's underwriting and documentation will provide for the possibility of such transfer.

**B. Conditions Precedent to Closing.** The obligation of CITI to make the Funding Loan is subject to satisfaction of the following conditions precedent ("Conditions Precedent to Closing"), in each case in a manner acceptable to CITI. The form and substance of all documents and items submitted by Borrower hereunder must be acceptable to CITI and its counsel.

1. Credit Approval. This Commitment is subject, among other things, to CITI obtaining final credit committee approval. Sponsor understands and agrees that this is subject to final approvals as set forth in Part E.4. of this Commitment and is not an agreement to make a loan. Any documentation will be forthcoming only after final approval of the underwriting by CITI's credit committee. The financing will be documented separately and will contain terms and conditions that may be in addition to or in substitution of those set forth in the Commitment.

2. Documents. Borrower shall duly authorize, execute and deliver or cause to be delivered at closing a Multifamily Note, a Multifamily Deed of Trust, Deed to Secure Debt or Mortgage, where appropriate (the "Security Instrument"), a Guaranty or Guarantees (including a Completion and Payment Guaranty for the Construction Phase and a Non-recourse Carve-out Guaranty), an Agreement of Environmental Indemnification, a Replacement Reserve Agreement, a Construction Funding Agreement, Assignments and any other assignment, financing statement, agreement or document required by CITI in connection with the Loan (collectively, the "Mortgage Documents"). The Funding Loan Agreement, the Regulatory Agreement, the Borrower Loan Agreement, the Borrower Note and all other documents executed or issued in connection with the transaction shall be referred to, collectively, as the "Tax-Exempt Loan Documents". The Security Instrument and Borrower Note shall initially be for the benefit of Governmental Lender and shall be assigned on the Closing Date to CITI. The Tax-Exempt Loan Documents must be in a form satisfactory to CITI and Governmental Lender. Where appropriate, the Mortgage Documents and the Tax-Exempt Loan Documents shall be acknowledged, recorded and filed in the public record, and all recording receipts promptly delivered to CITI.

3. Title Insurance. Borrower shall promptly deliver to CITI a commitment for a mortgagee's title insurance policy, prepared in accordance with CITI's title insurance instructions, along with a pro forma policy in the form included in such instructions. The title insurance commitment and policy must satisfy all of the requirements of such instructions and include such other coverage and endorsements as CITI may require. The company and/or agent issuing the commitment shall be acceptable to CITI in all respects. Borrower shall also furnish CITI with copies of all instruments affecting title to the Property including, but not limited to, all instruments referenced in Schedule B of the pro forma policy.

4. UCC Search/Perfection. Borrower shall commission UCC searches in the real estate records and personal property records of the following jurisdictions and shall furnish written reports of such searches to CITI: (i) the jurisdiction where the Property is located, (ii) any other jurisdiction in which Borrower has its principal office for the conduct of its business, (iii) in the central UCC filing location specified by the law of the state where the Property is located, and (iv) any other office where filing is necessary to perfect Governmental Lender's or Fiscal Agent's security interest in the Collateral (as hereinafter defined). All such searches shall be updated to the time of recordation of the Mortgage Documents and shall show no security interests affecting the Property, Guarantor or Borrower, other than those naming Governmental Lender or Fiscal Agent as the secured party. Borrower shall cause the appropriate filing of financing statements, on forms supplied by CITI, evidencing Governmental Lender's or Fiscal Agent's perfected first priority security interest in all personal property, machinery, equipment, building materials, contract rights, furniture, fixtures, royalties, receivables and other rights related thereto, as well as all leases, rents, revenues and proceeds therefrom and all proceeds of the foregoing (collectively, the "Collateral"). Such filing shall be in compliance with both the Uniform Commercial Code, as adopted in the state in which the Property is located, and all other applicable laws affecting the perfection of security interests. Borrower shall furnish to CITI, promptly upon recordation, receipted or time stamped copies of the filed financing statements.

5. Authority. Borrower shall furnish to CITI certified documents satisfactory to CITI evidencing Borrower's power and authority to enter into the Mortgage Documents and the Tax-Exempt Loan Documents. If Borrower is a corporation, such documents shall include Borrower's Articles of Incorporation, Bylaws, corporate resolution relevant to the Loan and a Certificate of Good Standing from the state of incorporation and the state where the Property is located. If Borrower is a partnership, such documents shall include a copy of the partnership agreement and partnership certificate, and the above-referenced corporate documents for any corporate general partner of Borrower. If Borrower is a limited liability company, such documents shall include a copy of the Articles of Organization and Operating Agreement and the Certificate of Authenticity or Certificate of Good Standing from the state of organization and the state where the Property is located.

6. Leases. The standard form of lease used at the Property shall be subject to the prior written approval of CITI. All new leases and renewals of existing leases shall be made on the approved standard form of lease unless otherwise agreed to by CITI. There must be no commercial leases affecting the Property, except for any laundry lease and other commercial lease disclosed in writing to and approved in writing by CITI and its counsel prior to the date of this Commitment. Any current commercial lease or laundry lease must be subordinated to the lien of the Security Instrument and other Mortgage Documents. Borrower agrees that any future commercial lease or laundry lease or renewal of any current commercial lease or laundry lease will contain language acceptable to CITI subordinating said lease to the lien of the Security Instrument and other Mortgage Documents. There must be no default under any current commercial lease or laundry lease.

7. Borrower's Management Agreement. Borrower shall furnish to CITI a copy of Borrower's management agreement. The management agreement must be with a professional management company and both the management company and the terms of the management agreement must be approved in writing by CITI. Borrower shall not make or permit to be made any changes to the management agreement without the prior written approval of CITI. Without limiting the foregoing, the management agreement must be terminable by owner on 30 days' notice, with or without cause and without payment of any termination fee. If required by CITI, a portion of the management fee

may be required to be subordinated to debt service and other amounts payable with respect to the Loan.

8. Rent Roll. [not applicable]

9. Appraisal. CITI shall have received an appraisal of the Property satisfactory to CITI.

10. Opinion of Borrower's Counsel. Borrower shall deliver to CITI a written opinion by Borrower's counsel approved by CITI, addressed to CITI, Issuer and Bond Trustee and in the form furnished or approved by CITI's counsel.

11. Insurance. Borrower shall deliver to CITI an insurance policy evidencing the existence of insurance relating to the Property, which evidence shall include "paid" premium invoices, conforming in all respects to CITI's insurance requirements as provided to Borrower in a separate package, as same may, from time to time, be modified. Such insurance for the Property shall include, without limitation, coverage for acts of terrorism and, if applicable, flood insurance (as more particularly set forth in Paragraph 17 below). In addition, Borrower must deliver prior to closing (i) the original, or a copy certified by the insurance agent, of the policy(ies) of insurance; or (ii) the insurance binder; or (iii) a certificate of insurance (Acord Form 28 property or Acord Form 27 liability or other form, satisfactory to Lender, provided by the insurance agent); or (iv) original letter from the insurance carrier on the primary layer, signed by an officer of such carrier, attaching the form of insurance policy pursuant to which coverage is being provided, and, if applicable, original letter from each insurance carrier on the excess layers, signed by an officer of such carrier(s) agreeing that it is bound to the form of insurance policy delivered by the primary carrier *(i.e.*, agreeing to "follow form" to the primary carrier). The letter must set forth the date by which the policy will be delivered to CITI, which must not be more than sixty (60) days following closing. All mortgagee/loss payee/additional insured endorsements must be attached to the letter.

12. Permits/Occupancy. Borrower shall deliver to CITI evidence satisfactory to CITI that all applicable governmental authorities have authorized construction of the Improvements and the development and, if applicable, the operation of the Property as a multifamily residential unit, including, without limitation, occupancy permits (if applicable) and building permits. Any nonresidential occupancy must be approved in writing by CITI.

13. Zoning/Subdivision. Borrower shall deliver to CITI certification from the local governmental authority (i) that the use of the Property as a multifamily residential complex complies with all zoning and subdivision ordinances and regulations applicable to the Property and that it is either a legal, conforming use or a legal, nonconforming use acceptable under CITI's underwriting standards, (ii) that the Property has been properly subdivided, and (iii) that the improvements on the Property can be rebuilt on the same location to their presently existing size, shape and density if partially or totally destroyed.

14. Access/Utilities. Borrower shall deliver to CITI evidence satisfactory to CITI that the Property is located on a publicly dedicated and maintained roadway or acceptable easement thereto, is served by public water and sewer systems, electricity and telephone service, and receives adequate municipal services (fire, police and transportation, among others).

15. Other Compliance. Borrower shall deliver to CITI evidence satisfactory to CITI that the Property, and Borrower's operation thereof, is in compliance with all local and/or state building, safety, health and fire codes, all clean air and water acts and other Hazardous Materials Laws (as hereinafter defined), and all equal opportunity, anti-discriminatory and fair housing requirements.

16. Survey. Borrower shall deliver to CITI a current, certified, "boundary" or "as-built" (as applicable) ALTA survey of the Property and surveyor's certificate, prepared by a registered engineer or surveyor approved by CITI. The survey and surveyor's certificate shall be satisfactory in form and substance to CITI and shall contain those matters set forth in CITI's survey instructions.

17. Flood Zone Map/Certification/Insurance. Borrower shall deliver to CITI a certification from Borrower's architect, engineer or surveyor stating whether the Property is located in a designated special Flood Plain Hazard area, as designated by appropriate federal agencies. If all or any portion of the Property is at any time during the term of the Loan, located in such an area, Borrower shall provide satisfactory evidence to CITI of the existence of flood insurance policies in the maximum amount required pursuant to applicable laws covering all of the improvements on the Property which lie within, are bounded by, or are in any way affected by such area.]

18. Operating Documents. Borrower shall furnish copies of any form documents used for the Property and any equipment leases, licenses, franchises, permits, contracts, and any other agreements required for the operation, use, management or occupancy of the Property, and all such items shall be subject to written approval by CITI.

19. Financial Statements of Borrower and Guarantor. CITI shall receive, for its review and approval detailed financial statements for Borrower, any principal in Borrower and each Guarantor, certified by Borrower, such principal or the Guarantor, as the case may be. CITI may also require updated and/or recertified financial statements as of the Closing Date.

20. Environmental Assessment Report. CITI shall receive and approve a written report or reports from CITI's independent environmental inspectors confirming that the Property and any site within the vicinity of the Property (i) has not contained and does not currently contain any Hazardous Material or underground storage tanks or any other pollutants that could be detrimental to the Property, human health or the environment, (ii) does not contain radon gas in levels unacceptable to CITI, (iii) complies with all applicable Hazardous Material Laws and has not been identified by any environmental regulatory body as a site containing Hazardous Material or underground storage tanks, (iv) shows no other environmental problem that would bring the Property within the purview of any federal, state or local environmental law or ordinance, and (v) contains no residual effect due to the removal of storage tanks or Hazardous Material. All deficiencies with respect to any environmental matters which CITI deems to be material shall be corrected by Borrower at its own expense to the satisfaction of CITI. "Hazardous Material" means and includes, without limitation, mold, asbestos and any substance containing asbestos, the group of organic compounds known as polychlorinated biphenyls, flammable explosives, radioactive materials, lead-based paint, chemicals known to cause cancer or reproductive toxicity, pollutants, effluents, contaminants, emissions or related materials and any items included in the definition of hazardous or toxic wastes, materials or substances under the Hazardous Material Laws. "Hazardous Material Laws" means and includes, all federal, state and local statutes, ordinances, regulations, orders, and decrees now or hereafter promulgated in connection with preserving the environment and/or the handling, storage, transport and disposal of Hazard Material.

21. Separate Tax Parcel(s). The Property shall constitute one or more separate and distinct tax parcels for purposes of all real estate taxes and assessments. There shall be no overlap whatsoever between the Property and any other property which will not be subject to the first lien of the Security Instrument. Borrower shall also furnish the most recent tax bills for the Property.

22. Opinion of Tax Counsel. CITI must receive from nationally recognized tax counsel approved by CITI an unqualified opinion (i) as to the validity and enforceability of the Tax-Exempt Loan, (ii) that the interest on the Tax-Exempt Loan is excluded from the gross income of

the owners thereof for federal income tax purposes under the Internal Revenue Code of 1986, as amended, and (iii) that the interest on the Tax-Exempt Loan is excluded from the gross income of the owners thereof for state income tax purposes if such exclusion is available under state law. Tax counsel must have (a) addressed its opinion to CITI, (b) addressed its opinion to CITI or (c) provided CITI a letter, addressed to CITI, stating that CITI may rely upon the opinion. Both the opinion and, if applicable, the reliance letter must be satisfactory to CITI.

23. Governmental Lender Requirements. CITI must receive evidence that Governmental Lender shall not impose restrictions, requirements or conditions in connection with its willingness to issue the Tax-Exempt Loan that are unacceptable to CITI. The restrictions imposed by the Tax-Exempt Loan Documents must be consistent with the restrictions on the use of the Property, on the income of tenants and on any rent charge that was used in underwriting the Funding Loan.

24. Low-Income Housing Tax Credits ("LIHTC"). CITI must approve any land use restriction agreement or regulatory agreement regulating or restricting the use or manner of operation of the Property and requiring that the Property be operated as a residential rental project occupied by individuals of low income (as provided for in the Treasury Regulations under Section 42(g) of the Internal Revenue Code). Such regulatory agreement must provide that the Property shall at all times be operated in such manner as to comply with the requirements of the Internal Revenue Code, the Treasury Regulations and IRS Rulings for obtaining and for preserving the LIHTC. In addition, the eligibility of the Property for LIHTC shall be evidenced to CITI in a manner satisfactory to CITI. Such regulatory agreement must be reviewed and approved in writing by CITI.

25. Equity and Funding Conditions. CITI must approve the partners/members (including the Tax Credit Investor), the applicable investment agreement, and the organizational documents of Borrower. CITI must receive and approve evidence satisfactory to CITI in all respects that the amount of the equity contribution is projected to be at least the level used by CITI in underwriting the transaction. Borrower's organizational documents shall contain restrictions acceptable to CITI on the syndication or other transfer of the Tax Credit Investor's interest, in whole or in part (including any interest therein), to eligible investors. In addition, prior to the Closing Date, CITI must receive and approve evidence satisfactory to CITI in all respects that Borrower (i) has timely received all required equity contributions to be made to Borrower as of the Closing Date, (ii) has fully funded, for the benefit of the Property, all cash required to be invested in the Property as of the Closing Date, and (iii) has made satisfactory arrangements to fund all cash required to be funded after the Closing Date. Borrower must also provide and CITI must approve in writing any developer's agreement relating to the Property.

26. Construction Phase Budget. CITI will require satisfactory evidence that other funds and Loan Proceeds are adequate to complete the Improvements and carry the costs of the Property (including but not limited to interest, taxes, insurance, and operating costs), as determined by CITI based upon its review of scope of work, the Appraisal and other relevant information. CITI reserves the right to receive, review and approve all project expenditures made prior to closing.

27. Architectural Consultant and Construction Inspector. CITI shall have approved an architectural consultant to monitor the progress of the Improvements (the "Architectural Consultant") and Borrower and the Architectural Consultant shall have executed and delivered to CITI an agreement in form and substance acceptable to CITI, pursuant to which the Architectural Consultant shall agree to certify hard cost progress payments and to provide the certifications required pursuant to this Commitment upon completion of the Improvements. In addition, CITI will enter into an agreement directly with a construction inspector ("Construction Inspector") for the benefit of CITI, but at the sole cost and expense of Borrower, to review the

plans and specifications, contracts and budget for the Improvements and to monitor the progress of the construction of the Improvements in the manner required by CITI.

28. Approved Plans. CITI and its engineering consultants and the Construction Inspector shall have received and approved the plans and specifications for the Improvements (such plans and specifications, as approved by CITI are referred to herein as the "Approved Plans"), the budget for completion of the Improvements, a fixed or a guaranteed maximum price contract for completion of the Improvements with a general contractor acceptable to CITI and a construction draw schedule for the Improvements.

29. Change Orders. The Approved Plans and the Construction Contract, and any change orders issued thereunder, will be subject to the approval of CITI.

30. Contractors. The architect, general contractor and such other contractors and subcontractors with respect to the Property as shall be identified by Borrower and approved by CITI shall have acknowledged the collateral assignment of their respective contracts to CITI and agreed in writing to continue performance on behalf of CITI under their respective contracts without additional cost in the event of a default by Borrower, which agreements shall be in form and substance acceptable to CITI and its counsel.

31. Payment and Performance Bonds. To the extent indicated on Exhibit A hereto, Borrower shall be required to deliver to CITI payment and performance bonds with respect to its contractor and major subcontractors (as determined by CITI).

32. Additional Documents. Upon request by CITI, Borrower shall furnish CITI with any documentation being furnished to any other party lending or investing in the Property (including CITI), including any plans for the Improvements, construction budgets, contracts and disbursement requests. In addition, Borrower shall deliver to CITI all other documents, instruments and other items required by CITI in connection with the making of the Funding Loan.

33. Additional Funding Requirements: All final documentation and due diligence must be delivered to tax counsel and/or counsel to CITI prior to the release of any funds for the Funding Loan, and under no circumstances will CITI authorize the closing of the Funding Loan until counsel to CITI has received the following final documentation: Trust Indenture, Funding Loan Agreement, Tax Certificate (or comparable document), Multifamily Note(s), the regulatory agreement/land use restriction agreement associated with the Tax-Exempt Loan, TEFRA approval(s), Governmental Lender's resolution(s), proof of volume allocation, , IRS Form 8038, final opinions of tax counsel and Borrower's counsel, any enhancement instrument, and, if applicable, all documentation required from HUD.

34. Fees and Expenses. Borrower shall have paid the Financing Fee (as hereinafter defined) and any other costs and expenses then due and payable pursuant to the provisions of this Commitment.

C. Intentionally Omitted

D. Fees and Expenses. Borrower shall be responsible for the following fees and expenses in connection with the financing:

1. Application Fee. Borrower hereby acknowledges requirement of an application fee (the "Application Fee") as set forth in the Commitment Terms, which amount shall be non- refundable. In the event additional funds are required to complete CITI's review and due diligence, Borrower will be advised of such costs in advance. Any and all additional costs will be billed to Borrower as they are incurred. The Application Fee is applicable toward third party reports,

underwriting and processing (as set forth in the Commitment Terms), and CITI's legal fees.

2. Origination Fee. The Origination Fee as set forth in the Exhibit A shall be due and payable on the Closing Date. The Origination Fee reflects a fee payable to CITI in exchange for providing financing for the Project.

3. Conversion Fee. Not applicable.

4. Fees and Expenses. Sponsor shall pay when due, whether or not the closing occurs, all reasonable and actual expenses, fees and charges with respect to the cost of issuance of the Tax-Exempt Loan (including tax and Governmental Lender counsel fees, Governmental Lender fees, Fiscal Agent fees, Fiscal Agent counsel fees, financial advisor fees, printing and mailing costs and other Tax-Exempt Loan related fees and costs), and the Tax-Exempt Loan processing and closing, or in any way connected therewith, including, without limitation, appraisal fees, survey costs, title insurance costs, architectural fees, engineering fees, inspection fees, mortgage or similar taxes and all attorneys' fees and legal costs of CITI. Without limiting the foregoing, Sponsor specifically agrees to pay all costs relating to document preparation and review of real estate due diligence items by counsel to CITI.

E. **Assignment; Acceptance; Termination.**

1. Acceptance. In order for this Commitment to be binding on CITI, Sponsor must execute a copy of this Commitment and return it, along with the Application Fee to CITI within five (5) business days after the date first set forth above (the "Outside Acceptance Date"), time being of the essence.

2. Expiration. This Commitment must be accepted on or before the Outside Acceptance Date, and the Tax-Exempt Loan must be issued prior to the Outside Closing Date set forth in the Commitment Terms, or this Commitment shall terminate and be of no further force and effect; provided, however that the provisions of this Commitment that explicitly survive termination shall continue in full force and effect. In the event that Sponsor does not obtain an allocation for the full amount of the Tax-Exempt Loan at least thirty (30) days prior to the Outside Closing Date, or the issuance of the Tax-Exempt Loan and the making of the Funding Loan by CITI does not occur by the Outside Closing Date, Sponsor may request an extension of this Commitment (not to exceed ninety (90) days), which extension shall be in Citi's sole discretion. In the event the requested extension is approved by CITI in its sole discretion, in addition to the Financing Fee and other amounts due hereunder, Sponsor shall pay to CITI a commitment extension fee equal to 0.25% (25 basis points) of the Construction Phase Amount on the Closing Date.

3. Termination. CITI may terminate this Commitment at any time if:

a. Any material adverse change (financial or otherwise) shall occur at any time prior to the Closing Date with respect to (i) the Property, the proposed Improvements, and/or the other security for the Tax-Exempt Loan, or (ii) the credit of Borrower and/or Sponsor (and/or any of the principals of Borrower and/or Sponsor) or any Guarantor or any other person or entity connected with the Loan, or (iii) any other source of repayment of the Loan.

b. Any part of the Property shall have been taken in condemnation or other like proceeding, or any such proceeding is pending or threatened as of the Closing Date, or any part of the Property is damaged and not repaired to CITI's satisfaction prior to the Closing Date.

c. If requested, certifications of the non-occurrence of (a) and (b) above, in form acceptable to CITI, are not executed by Borrower on the Closing Date, or if Borrower has not delivered on the Closing Date updated personal financial statements for any Guarantor.

d. After acceptance of this Commitment, the Tax-Exempt Loan is not issued and closed on or prior to the Outside Closing Date (as the same may be extended pursuant to Section E2.).

e. If, in CITI's sole judgment, CITI's underwriting and due diligence indicate the reasonable possibility of a material adverse change in the Property, the proposed Improvements, the Sponsor, the Borrower and/or any Guarantor.

f. If the OFAC representation and warranty in Section F5. is no longer true and correct.

4. Upon termination, Sponsor shall pay to CITI any other reasonable damages CITI may have incurred due to non-delivery of the Tax-Exempt Loan. **Sponsor's or Borrower's obligation to pay all amounts due under this Commitment shall survive the termination or expiration of this Commitment.** If Sponsor or Borrower fails or refuses to comply with the terms of this Commitment, CITI, at its option, shall have the right to enforce any rights and remedies it may have at law or in equity, including, but not limited to, the collection of costs and expenses arising out of such breach, including reasonable attorneys' fees and disbursements.

5. Final Underwriting. By accepting this Commitment, Sponsor expressly acknowledges that the obligation of CITI to provide the Funding Loan is subject to the completion of final loan underwriting by CITI, final CITI loan committee approval, and the satisfaction of any additional or differing conditions including interest rates that may be required by CITI as a result of such committee approval. By accepting this Commitment, Sponsor expressly acknowledges that the obligation of CITI to provide the financing described in this Commitment is subject to the satisfaction of the obligations and terms and conditions required by Citi for new construction and rehabilitation projects.

F. Miscellaneous.

1. Further Assurances. Sponsor hereby expressly acknowledges that CITI intends to incur costs upon acceptance of this Commitment. Upon acceptance of the Commitment, Sponsor shall be strictly obligated to close the transaction contemplated hereby. Sponsor acknowledges that failure to close the transaction will subject CITI to substantial costs and damages. Therefore, Sponsor hereby expressly agrees:

a. To perform all of the requirements, terms and conditions contained herein at the time and in the manner herein and as required by CITI.

b. Refrain from taking any action that would result in CITI's inability to arrange for the making of the Funding Loan.

c. On the request of CITI, to re-execute or ratify any of the Mortgage Documents and/or the Tax-Exempt Loan Documents, or execute any other documents as may be reasonably necessary to effect the delivery of the Tax-Exempt Loan to any investor.

2. Indemnification for Brokerage Commissions. Sponsor acknowledges and agrees that any fees due for tax-exempt loan or related mortgage loan origination services shall be Borrower's sole responsibility. Borrower and Sponsor shall indemnify and hold CITI harmless from and against any and all claims, demands and liability for brokerage commissions, assignment fees, finders' fees or other compensation whatsoever arising from the issuance of this Commitment, the making of

the Tax-Exempt Loan that may be asserted against CITI by any person or entity. **Sponsor's and Borrower's obligation to indemnify CITI hereunder shall survive the termination or expiration of this Commitment.**

3. Authorization. Sponsor and the undersigned Guarantor hereby authorize CITI to obtain and forward any and all credit information, including credit reports and financial statements and all other information of any kind received or reasonably required in connection with this Commitment to any rating agency and to any potential investor.

4. Exclusivity. The terms and provisions of this Commitment are intended for the sole and exclusive benefit of CITI and Borrower, and not for the benefit of, nor for the purpose of being relied upon, by any other party.

5. OFAC Provisions. Sponsor hereby represents and warrants that no portion of the Property has been or will be purchased, improved, equipped or furnished with proceeds of any illegal activity. Sponsor further represents and warrants that to the best of Sponsor's knowledge, after having made diligent inquiry, Sponsor, Borrower, each Person owning a direct or indirect interest in Borrower, each Guarantor, each person owing a direct or indirect interest in each Guarantor, the Property Manager, and each tenant at the Property: (a) is not currently identified on OFAC List, and (b) is not a Person with whom a citizen of the United States is prohibited to engage in transactions by any trade embargo, economic sanction, or other prohibition of United States law, regulation, or Executive Order of the President of the United States. The Sponsor further acknowledges and agrees that it shall have a continuing obligation during the processing of this Commitment to notify CITI promptly if it knows or has reason to believe that the representations and warranties contained herein are no longer correct. Sponsor has implemented procedures, and will consistently apply those procedures throughout the term of the Tax-Exempt Loan, to ensure the foregoing representations and warranties remain true and correct during the term of the Tax-Exempt Loan. For the purposes hereof, "OFAC List" means the list of specially designated nationals and blocked persons subject to financial sanctions that is maintained by the U.S. Treasury Department, Office of Foreign Assets Control and any other similar list maintained by the U.S. Treasury Department, Office of Foreign Assets Control pursuant to any Requirements of Law, including, without limitation, trade embargos, economic sanctions, or other prohibitions imposed by Executive Order of the President of the United States, which OFAC List is accessible through the internet website http://www.treasury.gov/ofac/downloads/t11sdn.pdf, and "Person" means an individual, partnership, limited partnership, corporation, limited liability company, business trust, joint stock company, trust, unincorporated association, joint venture, governmental authority or other entity of whatever nature.

6. Borrower's Representations. The validity of this Commitment and CITI's obligations hereunder shall at all times be subject to the accuracy and validity of all information and representations furnished by Sponsor to CITI with regard to the Tax-Exempt Loan , which shall have been and shall continue to be true and not misleading in all material respects.

7. Loan Data. All inspections, reports, appraisals, environmental studies or other data submitted to, commissioned for, conducted or produced by or for CITI are for its benefit and use and shall be the property of CITI. No right of inspection or approval contained in this Commitment shall be deemed to impose upon CITI any duty or obligation whatsoever to take any action or to notify any person with respect thereto, and no liability shall be imposed upon any such party and no warranty shall be deemed or construed to arise by reason of any inspection undertaken or approval given by any such party, its agents, employees or representatives, any such inspections and approvals being made solely for the benefit of such party. **The provisions of this paragraph shall survive the termination or expiration of this Commitment.**

8. Discretion. In any instance where the consent or approval of CITI may be given or is required, or where any determination, judgment or decision is to be rendered by CITI under this Commitment, the granting, withholding or denial of such consent or approval and the rendering of such determination, judgment or decision shall be made or exercised by CITI (or its designated representative) at its sole and exclusive option and in its sole and absolute discretion.

9. Waiver. CITI reserves the right, in its sole discretion, to waive in whole or part any of the terms, requirements and conditions in this Commitment, the Mortgage Documents, the Bond Documents or other documents referenced herein; provided, however, that such waiver shall in no event be construed to constitute a waiver of the applicable terms, requirements or conditions as they may apply in the future.

10. Successors and Assigns. Sponsor acknowledges and agrees that CITI at its option may assign or otherwise transfer the Bonds and all documents evidencing and securing the Bonds including, but not limited to, this Commitment, to other parties subsequent to the execution of this Commitment. Neither Sponsor nor Borrower may assign its rights, interest, or obligations under this Commitment without first obtaining CITI's prior written consent. This Commitment shall be binding upon the successors and permitted assigns of Borrower.

11. Governing Law. This Commitment shall be governed by and construed in accordance with the laws of the State of New York. Sponsor agrees that any legal action that may arise out of this Commitment will be commenced only in the United States District Court, Southern District of New York, or New York State Courts sitting in New York County, New York, and Sponsor hereby submits to the jurisdiction of any such court. All Mortgage Documents and Bond Documents (other than this Commitment) shall be governed by the laws of the State where the Property is situated. **The governing law election with respect to this Commitment shall survive the termination or expiration of this Commitment.**

12. WAIVER OF TRIAL BY JURY. SPONSOR AGREES NOT TO ELECT A TRIAL BY JURY WITH RESPECT TO ANY ISSUE ARISING OUT OF THIS COMMITMENT OR THE RELATIONSHIP BETWEEN BOND PURCHASER, BONDHOLDER REPRESENTATIVE AND BORROWER OR SPONSOR THAT IS TRIABLE OF RIGHT BY A JURY AND WAIVES ANY RIGHT TO TRIAL BY JURY WITH RESPECT TO SUCH ISSUE TO THE EXTENT THAT ANY SUCH RIGHT EXISTS NOW OR IN THE FUTURE. THIS WAIVER OF RIGHT TO TRIAL BY JURY IS GIVEN BY SPONSOR KNOWINGLY AND VOLUNTARILY WITH THE BENEFIT OF COMPETENT LEGAL COUNSEL AND APPLIES TO ALL ACTIONS WHETHER ARISING IN CONTRACT, TORT, EQUITY OR OTHERWISE. **THIS PROVISION SHALL SURVIVE THE TERMINATION OF EXPIRATION OF THIS COMMITMENT.**

13. Survival. The covenants, terms and conditions set forth in this Commitment shall not survive the Closing Date (unless expressly provided to the contrary). In the event of any conflict between this Commitment and the Mortgage Documents and/or the Bond Documents, the Mortgage Documents and/or the Bond Documents, as applicable, shall prevail.

14. Confidentiality The provisions of this Commitment and all of the terms and conditions contained herein are confidential and Sponsor shall not share this Commitment, or the terms and conditions contained herein, with any third party; provided however, Sponsor may show this Commitment to the Issuer and to Miami-Dade County in connection with its application for issuance of the Bonds. **This confidentiality provision shall survive the termination or expiration of this Commitment.**

15. Anti Tying Policy. CITI maintains a policy of strict compliance to the anti-tying provisions of the U.S. Bank Holding Company Act of 1956, as amended, and the regulations issued

by the Federal Reserve Board implementing the anti-tying rules (collectively, the "Anti-tying Rules"). Moreover, our credit policies provide that credit must be underwritten in a safe and sound manner and be consistent with Section 23B of the Federal Reserve Act and the requirements of federal law. Consistent with these requirements and our Anti-tying Policy:

a. The extension of commercial loans or other products or services to you by CITI or any of its subsidiaries will not be conditioned on your taking other products or services offered by CITI or any of its subsidiaries or affiliates, unless such a condition is permitted under an exception to the Anti-tying Rules.

b. CITI will not vary the price or other terms of any product or service offered by CITI or its subsidiaries on the condition that you purchase another product or service from CITI or any of its affiliates, unless CITI is authorized to do so under an exception to the Anti-tying Rules.

c. CITI will not require you to provide property or services to CITI or any affiliate of CITI as a condition to the extension of a commercial loan to you by CITI or any of its subsidiaries, unless such a requirement is reasonably required to protect the safety and soundness of the loan.

d. CITI will not require you to refrain from doing business with a competitor of CITI or any of its affiliates as a condition to receiving a commercial loan from CITI or any of its subsidiaries, unless the requirement is reasonably designed to ensure the soundness of the Loan.

[No Further Text on this Page]

If you have any questions relating to this Commitment, or if we can be of any further assistance, please do not hesitate to let us know.

Very truly yours,

CITIBANK, N.A., a national banking association

By: _____

Name: Kathy Millhouse

Title: Vice President

The undersigned hereby accepts the foregoing Commitment and agrees to be bound by the terms, requirements and conditions set forth herein.

Date: 2/4/16

**SPONSOR:**

By: _____

Name: Alberto Milo, Jr

Title: Senior V.P.

# EXHIBIT A

## COMMITMENT TERMS

## TERM SHEET

## Multifamily Rental Developments with Rent Restrictions
## New Construction

## Tax-Exempt "Back-to-Back" Loan Structure

**Liberty Square Rising Phase 1A**
**Liberty Square Rising Phase 1B**
**Liberty Square Rising Phase 2**
**Liberty Square Rising Phase 4B**
**Liberty Square Rising Phase 4C**
**Liberty Square Rising Phase 4D**

**February 2, 2016**

NOTE: This Term Sheet constitutes a brief summary of certain, but not all transaction terms and conditions. The summary that follows is subject to final credit approval.

**In connection with this Term Sheet, CITI will be acting solely as a principal and not as your agent, advisor or fiduciary. CITI has not assumed a fiduciary responsibility with respect to this Term Sheet, and nothing in this transaction or in any prior relationship between you and CITI will be deemed to create an advisory, fiduciary or agency relationship between us in respect of this Term Sheet. You should consider carefully whether you would like to engage an independent advisor to represent or otherwise advise you in connection with this Term Sheet, if you have not already done so.**

### A. PRELIMINARY LOAN TERMS

**Deal Structure:**

CITI proposes to fund a tax-exempt construction loan ("Funding Loan") to Miami-Dade Housing Finance Authority or other acceptable housing finance agency (the "Governmental Lender"). The Governmental Lender then loans the proceeds of the Funding Loan directly to the Borrower (the "Borrower Loan").

The Construction Phase is the initial phase during which funds will be advanced to Governmental Lender and loaned to Borrower (directly or through a Trustee, at Governmental Lender's discretion). Payments on the Funding Loan during the Construction Phase will be interest only

**Property:**

Liberty Square Rising Phase 1A – 216 units
Liberty Square Rising Phase 1B – 216 units
Liberty Square Rising Phase 2 – 216 units
Liberty Square Rising Phase 4B – 120 units
Liberty Square Rising Phase 4C – 120 units
Liberty Square Rising Phase 4D – 240 units

**Set-Asides:**

Phase 1A: 51% of the units (111 units) will be for tenants with income at or below 60% of AMI. The remaining units (105 units) will be public housing and covered under an annual contribution contract with HUD.

Phase 1B: 17% of the units (36 units) will be for tenants with income at or below 60% of AMI. The remaining units (180 units) will be public housing and covered under an annual contribution contract with HUD.

Phase 2: 17% of the units (36 units) will be for tenants with income at or below 60% of AMI. The remaining units (180 units) will be public housing and covered under an annual contribution contract with HUD.

Phase 4B: 90% of the units (108 units) will be for tenants with income at or below 60% of AMI. 10% of the units (12 units) will be for tenants with income at or below 50% of AMI.

Phase 4C: 20% of the units (24 units) will be for tenants with income at or below 60% of AMI. The remaining units (96 units) will be for tenants with income at or below 120% of AMI.

Phase 4D: 20% of the units (48 units) will be for tenants with income at or below 60% of AMI. The remaining units (192 units) will be for tenants with income at or below 120% of AMI.

**Borrower:** To be determined.

**Sponsor:** Affiliates of RUDG

**LIHTC Investor/ Syndicator:** If applicable, the Low Income Housing Tax Credit ("LIHTC") Investor / Syndicator, the upper tier investor(s) and, the terms and conditions of the partnership (or operating) agreement, must be acceptable to CITI in all respects including, particularly, as to the timing and conditions to funding capital contributions.

**Guarantor(s):** PRH Investments, LLC and/or other individual(s) or corporate entity acceptable to CITI in all respects. The Guarantor(s)' financial condition(s) must be acceptable to CITI in all respects. Guarantor must maintain a minimum net worth requirement of $10 million and minimum liquidity of $2 million.

**Subordinate Debt:** If applicable, the sources of subordinate debt and the subordinate loan documents must be acceptable to CITI in all respects. All subordinate debt must fund prior to Funding Loan funding unless CITI approves other arrangements.

**Loan Security:** First lien, or assignment thereof, on land and any improvements, UCC filings for fixtures; assignment of all leases and rents; and, a first priority collateral assignment of all contracts, management agreements, and other agreements and all permits relating to the Property. All income and rent restrictions will be subordinate to the CITI security instrument.

**Recourse:** The Funding Loan will be fully recourse to the Borrower and to the Guarantor(s).

**Guarantees, Construction Phase:** Completion and Repayment Guarantees are required from the Borrower and the Guarantor(s).

**Environmental Indemnity:** Borrower and Guarantor(s) will be liable for CITI's standard environmental indemnity.

**Closing:** Closing is subject to full satisfaction of CITI's standard due diligence, underwriting and credit approval processes, and the execution and delivery of all required loan documents, delivery of opinions, payment of fees and other customary requirements.

**Closing Date (est.):** To be Determined

## CONSTRUCTION PHASE

**Est. Construction Phase Loan Amount:** An amount, currently estimated to be:

| | |
|---|---|
| Liberty Square Rising Phase 1A: | $22,500,000 |
| Liberty Square Rising Phase 1B: | $21,000,000 |
| Liberty Square Rising Phase 2: | $22,000,000 |
| Liberty Square Rising Phase 4B: | $12,500,000 |
| Liberty Square Rising Phase 4C: | $16,150,000 |
| Liberty Square Rising Phase 4D: | $34,900,000 |

The loan(s) may not exceed 80% of costs covered through the Construction Phase.

**Construction Phase Term:** Twenty-four months, plus two, 6-month extension options. Fees for the extension are indicated below under "Fees & Expenses".

**Construction Phase Interest Rate:** A variable rate equal to SIFMA plus a spread of 2.50% during the Construction Phase for all Phases. Rate adjusts weekly. Currently, SIFMA is trading at approximately 0.01%. This rate does not include Issuer, Trustee, or misc. 3rd party fees (SIFMA is available at http://www.sifma.org/research/item.aspx?id=19762). Pricing is based on current market conditions and is subject to change.

**Availability:** Funding Loan proceeds will be advanced to Borrower on a "draw down" basis upon receipt of a written request from Borrower, supported by documentation acceptable to CITI. Borrower will be required to submit a loan budget worksheet with each draw request tracking all Property sources and uses of funds. Draw requests are limited to one per month.

**Loan in Balance:** The Funding Loan must remain "in balance" during the Construction Phase. "In balance" means that (1) the funds available during the Construction Phase (from the Funding Loan and all other debt and equity sources) are sufficient to complete the construction or rehabilitation of the Property and all other expenses reasonably expected to be necessary to achieve the conditions for equity and sub-debt funding; and (2) the sources available from equity and sub-debt are sufficient to pay off the Construction Phase Loan Amount.

**Amortization:** None. Payments on the Funding Loan during the Construction Phase will be interest only.

**Prepayment and Yield Maintenance:** Voluntary prepayment of Funding Loan principal amounts during the Construction Phase, including those as a result of a Borrower default, may be made without prepayment fee or penalty.

**Interest Reserve:** Calculated at the Construction Phase Interest Rate noted above, plus a cushion acceptable to CITI at time of final Credit approval. Currently, CITI is underwriting with a cushion of 1.00%. The Interest Reserve will be sized based on an analysis of the projected draw schedule for the Funding Loan during the Construction Phase.

**Budget and Contingencies:** The budget for the Construction Phase, including all budget line items, is subject to CITI approval. The budget shall include a hard cost contingency of no less than 5% of budgeted hard costs for new construction projects or, 10% for renovation projects. The budget shall include a soft cost contingency of no less than 5% of budgeted soft costs, excluding 1) soft costs incurred prior to or in connection with closing; 2) interest reserve and bank fees; 3) capitalized operating reserve deposits and other costs that may be due in connection with Construction Phase Loan pay off/stabilization for which specific sources are identified; and 4) developer fees.

**General Contractor and Bonding Requirements:** The general contractor and the form of construction contract must be acceptable to CITI. CITI will require payment and performance bonds equal to 100% of the construction contract amount. Surety issuing bonds must have an A.M. Best rating of "A/XIV" and must be acceptable to CITI in all other respects. In lieu of bonds, CITI will accept a letter of credit ("LC") equal to 10% of the initial construction contract amount. LC provider must be rated "A" or better.

**Retainage:** Construction contract will provide for retainage of 10% of each construction pay application until 50% completion and the reduced to 5% of each construction pay application until substantial completion of construction is achieved unless other arrangements have been approved by CITI. All retained amounts will be released upon final, lien-free completion of construction, as approved by CITI.

**Appraisal, Environmental, Plan & Cost Evaluation Review:** Appraisal and Plan/Cost Review reports will be commissioned and reviewed by CITI. CITI may rely upon environmental reports commissioned by Borrower if report is current (within 12 months) and CITI has been provided evidence of

acceptable E&O insurance coverage carried by Borrower's environmental consultant and a reliance letter in form acceptable to CITI. Appraisal, environmental condition and plan/cost reviews must be acceptable to CITI in all respects.

**Property Tax Abatements, Incentives:** All documentation related to any tax abatement or tax incentives must be acceptable to CITI in all respects.

**Developer Fee:** Any developer fee paid prior to Construction Phase Loan pay down shall be pre-approved by CITI in its sole discretion.

**Availability of ACCs:** If applicable, prior to closing, CITI must receive from HUD an acceptable commitment to provide the ACC required to operate the public housing units at break-even. In addition, CITI must review and approve anticipated capital funding appropriations connected to the ACCs.

**Public Housing:** Since the seller/landlord of the Property is the Miami-Dade Public Housing and Community Development ("MDPHCD") and since the Property will continue to be operated in accordance with public housing guidelines with operating subsidies coming from HUD to MDPHCD and in turn to the Borrower, Borrower will be required to fund reserves as noted below. In addition, the Regulatory & Operating Agreement ("R&O"), Land Use Restriction Agreement, ACC, and other documents relative to the public housing nature of the Property are subject to CITI's full review and approval.

**ACC Reserve, Operating Reserve:** CITI will require an ACC & Operating Reserve totaling the higher of 1) a minimum of six months of operating expenses or 2) the ACC & Operating Reserve required by the LIHTC equity investor. Changes to the amount of ACC units or other factors related to the ACC units may require additions to the ACC reserve.

**FEES**

**Due Diligence Deposit:** $25,000, per phase, which amount shall be non-refundable and payable upon acceptance of a preliminary application. This fee is applicable toward third party reports, loan underwriting and processing (in the minimum amount of $5,000), and CITI's initial legal fees. Applicant is responsible for the payment of all reasonable costs incurred in connection with the underwriting, processing and/or closing of the Funding Loan (including CITI legal fees).

**Origination Fee:** A non-refundable Origination Fee equal to 1.0% of the Construction Phase Loan Amount (the "Origination Fee") shall be earned in full by CITI upon the closing of the Funding Loan, and is due and payable at that time.

**Construction Phase Extension Fee:** An extension fee equal to 0.25% of the Construction Phase Loan Amount is payable prior to the first, six month extension and an extension fee equal to 0.50% of the Construction Phase Loan Amount is payable prior to the second, six month extension.

**CITI Legal Fees (est):** Estimated fees of CITI's counsel for the initial closing is $65,000 per phase and assumes no significant negotiation over CITI's form documents. A portion of the Application Fee will be applied to initial CITI counsel fees. Applicant agrees to make a supplemental deposit to cover CITI's counsel fees once the drafting of legal documentation commences, if requested.

**Course of Construction Inspections (*est*):** TBD

**Other Costs:** Borrower is responsible for costs of survey, title insurance policy, hazard insurance policy, tax escrow fee and all other normal and customary loan closing expenses.

This Term Sheet is provided for information purposes and is intended for your use only. Except in those jurisdictions where it is impermissible to make such a statement, CITI hereby informs you that this Term Sheet should not be considered as a solicitation or offer to sell or purchase any securities or other financial products. This Term Sheet does not constitute investment advice and does not purport to identify all risks or material considerations which should be considered when undertaking a transaction. CITI makes no recommendation as to the suitability of any of the products or transactions mentioned. Any trading or investment decisions you take are in reliance on your own analysis and judgment and/or that of your advisors and not in reliance on us.

CITI often acts as (i) a market maker; (ii) an issuer of financial instruments and other products; and (iii) trades as principal in many different financial instruments and other products, and can be expected to perform or seek to perform investment banking and other services for the issuer of such financial instruments or other products. The author of this Term Sheet may have discussed the information contained herein with others within or outside CITI and the author and/or such other CITI personnel may have already acted on the basis of this information (including by trading for CITI's proprietary accounts or communicating the information contained herein to other customers of CITI). CITI, CITI's personnel (including those with whom the author may have consulted in the preparation of this Term Sheet), and other customers of CITI may be long or short the financial instruments or other products referred to in this Term Sheet, may have acquired such positions at prices and market conditions that are no longer available, and may have interests different from or adverse to your interests.

CITI is required to obtain, verify and record certain information that identifies each entity that enters into a formal business relationship with CITI. CITI will ask for your complete name, street address, and taxpayer ID number. CITI may also request corporate formation documents, or other forms of identification, to verify information provided.

Although Citibank, N.A. (together with its subsidiaries and branches worldwide, "Citibank") is an affiliate of CITI, you should be aware that none of the financial instruments or other products mentioned in this term sheet (unless expressly stated otherwise) are (i) insured by the Federal Deposit Insurance Corporation or any other governmental authority, or (ii) deposits or other obligations of, or guaranteed by, Citibank or any other insured depository institution.

**IRS Circular 230 Disclosure**: CITI and its employees are not in the business of providing, and do not provide, tax or legal advice to any taxpayer outside of CITI. Any statements in this term sheet regarding tax matters were not intended or written to be used, and cannot be used or relied upon, by any taxpayer for the purpose of avoiding tax penalties. Any such taxpayer should seek advice based on the taxpayer's particular circumstances from an independent tax advisor.

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## EXHIBIT B

### Initial Due Diligence/Underwriting Completed

1. Review of proposed income and expense statements (budget).
2. Review of estimated sources and uses statement.
3. Inspection of proposed site and sub market.
4. Review of CITI's servicing portfolio to determine comparability of rents and expenses
5. Review of financial information of Sponsor, Borrower and principals of each.

citi

Liberty Square RFP — Preliminary Review

| | | | IA | IB | 2 | 4B | 4C | 4D |
|---|---|---|---|---|---|---|---|---|
| | Preliminary NOI | | 801,000 | 381,754 | 381,754 | 377,408 | 1,125,083 | 2,383,224 |
| | Amort | | 35 | 35 | 35 | 35 | 35 | 35 |
| | Assumed Rate | | 4.74% | 4.74% | 4.74% | 4.74% | 4.74% | 4.74% |
| | | | 1.15 | 1.15 | 1.15 | 1.15 | 1.15 | 1.15 |
| | Max Perm Loan | | $11,888,594 | $5,666,065 | $5,666,065 | $5,601,561 | $16,698,696 | $35,372,264 |
| | | **TOTAL** | | | | | | |
| Request - Perm* | | **78,450,000** | **10,750,000** | **5,650,000** | **5,650,000** | **5,350,000** | **16,150,000** | **34,900,000** |
| Per Unit | | | 49,769 | 26,157 | 26,157 | 44,583 | 134,583 | 145,417 |
| Request - Constr | | **129,050,000** | **22,500,000** | **21,000,000** | **22,000,000** | **12,500,000** | 16,150,000 | **34,900,000** |
| Per Unit | | | 104,167 | 97,222 | 101,852 | 104,167 | 134,583 | 145,417 |
| **Total Units** | | **1,128** | **216** | **216** | **216** | **120** | **120** | **240** |
| PHA | | 465 | 105 | 180 | 180 | | | |
| 50% | | 84 | | | | 12 | 24 | 48 |
| 60% | | 291 | 111 | 36 | 36 | 108 | | |
| 120% | | 288 | | | | | 96 | 192 |

| | | IA | IB | 2 | 4B | 4C | 4D |
|---|---|---|---|---|---|---|---|
| **Sources:** | | | | | | | |
| | Tax Credit Equity | $ 20,202,085 | $ 19,806,955 | $ 19,455,019 | $ 11,007,480 | $ 2,218,912 | $ 3,956,206 |
| | Tax-Exempt Bonds | 10,750,000 | 5,650,000 | 5,650,000 | 5,350,000 | 16,150,000 | 34,900,000 |
| | Sub Debt | 13,900,000 | 19,867,800 | 18,087,816 | 8,121,100 | 5,400,000 | 4,700,000 |
| | Def Dev Fee | 746,456 | 864,304 | 840,411 | 562,661 | 1,828,316 | 1,684,845 |
| | Total | $ 45,598,541 | $ 46,189,059 | $ 44,033,246 | $ 25,041,241 | $ 25,597,228 | $ 45,241,051 |
| **Uses:** | | | | | | | |
| | Ground Lease Pmt | $ 540,000 | $ 540,000 | $ 540,000 | $ 300,000 | $ 300,000 | $ 600,000 |
| | Construction Costs | 26,544,000 | 26,944,000 | 25,544,000 | 14,080,000 | 14,080,000 | 26,160,000 |
| | GC Fees | 3,716,160 | 3,772,160 | 3,576,160 | 1,971,200 | 1,971,200 | 3,662,400 |
| | Hard Cost Contngcy | 1,513,008 | 1,535,808 | 1,456,008 | 802,560 | 802,560 | 1,491,120 |
| | Soft Costs | 6,553,362 | 6,588,158 | 6,436,998 | 4,170,226 | 4,681,303 | 6,695,835 |
| | Developer Fees | 6,732,011 | 6,808,933 | 6,480,080 | 3,717,255 | 3,762,165 | 6,631,697 |
| | Total | $ 45,598,541 | $ 46,189,059 | $ 44,033,246 | $ 25,041,241 | $ 25,597,228 | $ 45,241,051 |

* CITI is only providing construction financing. However, CITI has assumed, for take-out purposes, the parameters noted above for sizing the permanent loans.

BOSTON FINANCIAL
INVESTMENT MANAGEMENT

Boston Financial
Investment Management, LP
*a Limited Partnership*

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February 1, 2016

Albert Milo, Jr.
RUDG, LLC
315 South Biscayne Boulevard
Miami, FL 33131

**Re: Liberty Square Rising Phase 1B**

Dear Albert,

We appreciate the opportunity to become the investment partner in **Liberty Square Rising Phase 1B** (the "Property"). This letter of intent ("LOI") summarizes the proposed investment terms and conditions by which a limited partnership or limited liability company formed by Boston Financial Investment Management, LP ("Boston Financial") would acquire an interest in the Company (as defined below).

As further detailed in Section 2.2 below, BFLP (as defined below) would proceed to make capital contributions to the Company of $19,806,955 or the equivalent of approximately $1.12 per dollar of credit.

## 1. Project Assumptions

We have made the following assumptions in evaluating this investment:

### 1.1 Development Structure

- The Company. A to be formed Special Purpose Entity, an affiliate of RUDG, LLC (the "Company") will be formed to develop, construct, and operate the Property.
- Investor and Special Limited Partners. An entity affiliated with Boston Financial ("BFLP") will purchase a 99.99% limited ownership interest in the Company ("Admission") upon satisfactory completion of the conditions contained in this LOI. A corporation affiliated with Boston Financial will be a special limited member in the Company with certain restricted management rights and a small interest in sale proceeds (the "Special Member").
- Manager. A to be formed Special Purpose Entity, a for-profit entity and an affiliate of RUDG, LLC will serve as the Manager of the Company (the "Manager").
- Developer. A to be formed Special Purpose Entity, an affiliate of RUDG, LLC will serve as the developer of the property (the "Developer").
- Guarantor. The obligations of the Developer and Manager must be guaranteed by an entity (the "Guarantor") acceptable to Boston Financial. The Guarantor must maintain sufficient net worth and liquidity to meet its obligations (but in no event less than $10 million of net worth and $2 million in liquidity). Boston Financial will have the right to accept or reject the

Guarantor in its sole discretion based on a detailed review of the Guarantor's financial statements.

- General Contractor. The general contractor will be Fortune Construction Company, LLP or another entity acceptable to Boston Financial. Construction must be fully bonded or secured by a letter of credit equal to 15% of the construction contract.
- Management Agent. The Property will be managed by TRG Management Company, LLP or another agent acceptable to Boston Financial (the "Management Agent"). The Management Agent (i) will have demonstrated experience managing Section 42 properties and (ii) will receive a competitive management fee, which shall not exceed the maximum amount permitted by HUD. The Management Agent will enter into an agreement to defer and accrue its fee, if necessary, to prevent (i) a default under the mortgage loan documents and (ii) to avoid an operating deficit. Breach of this agreement will be grounds for removal of the Management Agent.

### 1.2 Property Design and Development Schedule

- The Property will be developed as the new construction of 216 units. The unit and income mix will include:

**Property Design:**

| Units | Beds | Inc AMI | Rent AMI | Set-Aside | Subsidy |
|---|---|---|---|---|---|
| 102 | Two | 33% | 33% | None | ACC |
| 30 | Three | 33% | 33% | None | ACC |
| 42 | Four | 33% | 33% | None | ACC |
| 6 | Five | 33% | 33% | None | ACC |
| 9 | One | 60% | 60% | None | None |
| 18 | Two | 60% | 60% | None | None |
| 9 | Three | 60% | 60% | None | None |

### 1.3 Financing*

| Type | Lender | Amount ($) | Rate (%) | Fixed Rate? | Term | Amort | Hard Payments? |
|---|---|---|---|---|---|---|---|
| Const. | Citibank, N.A. | 21,000,000 | SIFMA + 250 bps | No | 24mths | N/A | Interest Only |
| Perm | Pillar Multifamily, LLC | 5,650,000 | 4.74% | Yes | 35 | 35 | P&I |
| Const/ Perm | Soft Financing | 19,867,800 | TBD | TBD | TBD | TBD | Cash Flow |

### 1.4 Other

- Each building will be depreciated over 27.5 years.
- Any interest income earned by the Company on the capital contributions of BFLP and any other Company reserve or escrow accounts (whether such amount is held by the Company or held by a lender) will be specially allocated to the Manager.

## 2. Tax Credits and Capital Contributions

### 2.1 Tax Credit Assumptions

- Eligible Housing Credit Request Amount: $1,768,655.
- Total Housing Credit Allocation for Investment: $1,768,655 x 99.99% x 10 = $17,684,781.
- Tax Credit Price: $1.12.
- Total Capital Contributions: $19,806,955.

### 2.2 Capital Contributions

Based upon the assumptions that you submitted and subject to the satisfactory completion of Boston Financial's due diligence, BFLP will make capital contributions to the Company in the aggregate amounts and at the times shown below:

| # | Payment Conditions | Amount ($) | % |
|---|---|---|---|
| 1 | Admission | $3,961,391 | 20.0 |
| 2 | 50% Completion | 1,980,696, | 10.0 |
| 2 | Completion | 1,980,696 | 10.0 |
| 3 | Stabilization | 10,893,825 | 55.0 |
| 4 | Receipt of 8609(s) | 990,347 | 5.0 |
| | **TOTAL** | **19,806,955** | **100.0** |
| | **Price Per Credit – Federal LIHTC** | **1.12** | |

NOTE: The total equity paid prior to construction completion is $5,942,087. The admission payment is paid prior to, or simultaneous to the construction closing.

Installments are due only after the prior installment's conditions have been met. Installments may be adjusted based on actual or projected tax credit delivery schedules as prepared by the Company accountants.

### 2.3 Capital Adjusters

The installments of equity shall be subject to standard tax credit timing and steady state adjuster calculations subject to the availability of funds.

### 2.4 Development Fee

The Developer shall earn a development fee in an amount not to exceed the maximum amount allowed pursuant to FHFC, City of Miami and/or Miami Dade County guidelines. We expect some amount ("Deferred Development Fee") will be outstanding after payment of all installments of equity. Payment of any Deferred Development Fee will be subject to available cash flow and may bear interest, if acceptable to Boston Financial, based on its review of tax implications associated with the fee. The Manager shall be obligated to pay any amount of outstanding Deferred Development Fee prior to the end of the thirteenth anniversary of the date the Property is placed in service.

## 3. Manager Obligations

The Manager and Guarantor will have the following obligations.

**3.1 Development Obligation**. The Developer is obligated to (i) deliver a completed, lien-free project (including all final Certificates of Occupancy and an ALTA survey), in accordance with the plans and specifications based upon fixed development costs including funding of development fee and all required reserves and (ii) arrive at Final Closing (as defined below). If the proceeds available are insufficient to pay all Eligible Development Costs, the Developer shall advance to the Company such funds as are required to pay such deficiencies through the latest of the date the Property achieves (i) the first anniversary of Completion, (ii) Final Closing, (iii) Stabilization Date, and (iv) the receipt of final Forms 8609s from the allocating agency for each building in the Property (the "Development Obligation Date" or "DOD"). The Manager will be obligated to guaranty this obligation and any cost overruns, development deficiencies or loan conversion gaps not paid for by the Developer shall be paid by the Manager and will be without reimbursement.

"Final Closing" means the date upon which all of the following events have occurred: (i) the Completion Date, (ii) Permanent Mortgage Commencement, (iii) the Property being free of any mechanics' or other liens (except for the Mortgages and liens either bonded against in such a manner as to preclude the holder thereof from having any recourse to the Property or the Company for payment of any debt secured thereby or affirmatively insured against (in such manner as precludes recourse to the Company for any loss incurred by the insurer) by the Title Policy (or by another policy of title insurance) issued to the Company by an acceptable title insurance company in an amount satisfactory to Investor Tax Counsel (or by an endorsement of either such title policy)), (iv) the completion by the Accountants of a certified audit, approved by the Investor Member, of the Company's and the Builder's construction costs as a part of cost certification, (v) the agreement and acceptance of such cost certification by (a) Boston Financial and (b) by the Lenders and the Governmental Agency to the extent required by the Lenders and the Governmental Agency, (vi) the date of delivery to and acceptance by Boston Financial of an ALTA Survey, (vii) the disbursement of proceeds under the Mortgage Loans has been made in the full amount permitted by such cost certification, (viii) all amounts due in connection with the construction of the Project have been paid or provided for, and (ix) the full funding of any reserves required under the Mortgage Loan Documents and the Company Agreement (except for any reserves to be funded from future installments or other identified sources).

"Stabilization Date" means the first day following the three most recent consecutive calendar months commencing on or after the Completion Date, during each of which, as determined by the Accountants, subject to reasonable review by Boston Financial, the Property has achieved a Debt Service Coverage Ratio of 1.15; provided, however, that if the Stabilization Date occurs prior to Final Closing, the Property will not be deemed to have achieved the Stabilization Date unless and until all other conditions to Final Closing have been satisfied.

"Tax Credit Determination" means the date the Accountants determine the amount of the Tax Credits, and determine that the Project satisfies the requirements of Section 42(h)(4) of the Code.

**3.2 Operating Obligation.** Commencing on the date of Admission, the Manager will be obligated to advance funds needed to cover operating deficits (including full replacement reserve funding acceptable to Boston Financial, and, after the DOD, normal repairs and necessary capital improvements) such that the Company has $1 of surplus cash at all times. The Manager's obligation will be unlimited through the end of the Compliance Period and such advances will not be reimbursed and treated as Special Capital Contributions prior to the DOD and subsequent to the

DOD will be treated as Operating Expense Loans, which will bear no interest and will be repayable solely from future available cash flow or sale proceeds.

Commencing on the DOD, the Managing Member's Operating Obligation and the Guarantor's guaranty of the Managing Member's Operating Obligation shall be limited to $767,000. Subject to the operating reserve being fully funded to its original balance, the Gurantor's guaranty of the Operating Obligation shall terminate upon the later of the (i) the fifth anniversary of the DOD or (ii) the Property achieving a 1.15x DSCR as confirmed by audited financial statements, acceptable to Boston Financial, for the most recent fiscal year. Any operating deficits may be funded by the operating reserve prior to the Guarantor under the terms of its operating obligation guaranty. Funds drawn from the Operating Reserve will be replenished from available Cash Flow and must be fully replenished prior to the termination of the Guarantor's operating obligation.

**3.3 Repurchase Obligation.** The Manager will be obligated to repurchase BFLP's interest in the Company, for a price equal to 106% of the Net Capital Contribution payable to the Company less amounts not yet paid into the Company, plus any interest or penalties from recapture, if (1) Final Closing of the mortgage loan is not achieved by the maturity date of the construction loan (subject to an extension if existing loan commitments are similarly extended), (2) an action is commenced to foreclose, abandon, or permanently enjoin construction of the Property which is not being diligently defended or otherwise adequately addressed by the Company or the Manager, (3) the Property is disqualified from obtaining 30% or more of the tax credits, or (4) other significant issues occur which materially impact BFLP's investment as agreed to in the Company Agreement. For a limited period of time, the Company will have an opportunity to cure any such problems.

**3.4 Compliance Obligation.** The Manager shall take any and all actions required to ensure that the Property will continue to qualify for low-income tax credits.

**3.5 Tax Credit Adjusters.** The Manager shall be obligated to fund adjustments to the capital contributions resulting from a reduction in the credit amount as noted above, if a reduction in capital contributions is not otherwise available.

**3.6 Management Rights.** The consent of Boston Financial will be required to: (a) sell or refinance the Property, (b) withdraw, admit, or substitute the Manager, or (c) sell, assign, encumber, or pledge the general Company interests. In addition, (a) in the event the Manager files for bankruptcy, (b) if the Company or the Manager are in material default under their commitments and obligations, or (c) in certain other circumstances, BFLP after reasonable notice and cure period will have the right to remove the Manager and substitute the Special Limited Partner or another affiliate of Boston Financial as a successor Manager with the powers of Manager.

**3.7 Manager Standard Obligations, Representations, and Warranties.** The Manager will be responsible for all customary Manager obligations and indemnifications and for the accuracy of all customary representations and warranties to the Company and BFLP. We have assumed that there are no existing environmental issues affecting the site or project.

## 4. Allocation and Distributions

The tax credits, depreciation, and operating profits and losses of the Company shall be allocated 99.99% to BFLP and 0.01% to the Manager. With respect to taxable income, we have assumed a 27.5 year depreciation schedule for building improvements, 15 years for land improvements, and 5 years for personal property.

Cash flow from operations after payment of operating expenses and funding of required replacement reserves shall be distributed as follows:

| | |
|---|---|
| First, | to BFLP to pay its annual cumulative Priority Distribution (Asset Management Fee) of $5,000, adjusted annually by the annual percentage increase in CPI; |
| Second, | to BFLP an amount equal to any unpaid tax credit shortfall payments; |
| Third, | to the Manager as payment of the Deferred Development Fee; |
| Fourth, | to the Manager to repay any Operating Expense Loans; |
| Fifth, | 10% to BFLP; and |
| Sixth, | 90% to the Manager, first as payment of a non-cumulative Incentive Management Fee up to 12% of EGI less amounts paid to the Management Agent, then as a distribution. |

Boston Financial's Investor Limited Partner ("ILP") and Special Limited Partner ("SLP") will grant to the Manager an option (the "Option") to purchase all of the interest (but not less than all) of the ILP and SLP at any time following the close of the Compliance Period. The purchase price for the Interest of the ILP and SLP shall be equal to an appraised fair market value, as calculated at the time the Option is exercised by the Manager. The ILP and the SLP shall have the right to require the Company to purchase all of the interest (but not less than all) of the ILP and the SLP for $1,000 and $100, respectively, respectively, following the close of the 10-year credit period.

If the Option is not exercised, the net proceeds of a sale or refinancing shall be distributed as follows:

| | |
|---|---|
| First, | to discharge the debts and obligations of the Company; |
| Second, | to fund reserves for contingent liabilities to the extent deemed necessary by the Manager; |
| Third, | to BFLP an amount equal to any unpaid tax credit shortfall payments; |
| Fourth, | to the Manager to repay any Operating Expense Loans; |
| Seventh, | to the repayment of any outstanding Deferred Development Fee; |
| Eighth, | $10,000 to the Special Limited Partner; and |
| Ninth, | 10% to BFLP and 90% to the Manager. |

## 5. Reporting

The Company shall furnish Boston Financial with quarterly unaudited financial statements. Annual audited financial statements and tax returns shall be prepared by an independent firm of certified public accountants, approved by Boston Financial, familiar with reporting requirements applicable to LIHTC properties. Annual tax returns shall be provided by February 15th, and annual audited financial statements by March 1st.

## 6. Due Diligence and Closing Process

Boston Financial has completed premilinary underwriting which is attached as Exhibit A to this letter. Upon receipt of an executed copy of this letter, the parties will agree upon a mutually acceptable due diligence period and closing schedule.

Boston Financial's decision to invest in the Company, the final terms of such investment and the admission of BFLP to the Company are subject to the satisfactory completion of Boston Financial's due diligence process, including without limitation, review and approval of the following due diligence items:

a) Engineering. All related due diligence, including all plans and specifications, the construction budget, and related construction documents. If property is to be rehabilitated this includes a Capital Needs Assessment, Replacement Reserve Analysis, and unit by unit inspection paid for by the Company, which will evaluate the construction scope of work, the construction documents and budget.

b) Environmental. Phase I Environmental Report (ASTM 1527-13 Standards), the Phase II Environmental Report (if applicable), and completion of any work recommended therein. Boston Financial requires that all third-party reports provide reliance letters which are not limited in time or amount.

c) Market Study. Boston Financial's Market Study which will evaluate the Property's suitability and marketability as a LIHTC property, including review of rents and expenses.

d) Financial and Capacity Review. A satisfactory review by Boston Financial's Chief Credit Officer of 1) the audited financial statements of the Manager, Company, Developer, Guarantor, Contractor, and affiliates, and 2) the Statement of Real Estate Owned by the Manager, Developer, Guarantor, and affiliates.

e) Background and Credit Review. Backgrounds and credit worthiness of the Manager, Developer, Guarantor, Property Management Agent, and Contractor.

f) Insurance. Receipt of a satisfactory insurance policy insuring against fire and other casualty in an amount equal to the full replacement cost of the Property. A combined single limit property damage and commercial general liability insurance policy in the amount of not less than $1 million per occurrence/$2 million aggregate with an umbrella policy of no less than $3 million. The primary limits must be on a "per location" basis and the Investor Limited Partner, Special Limited Partner, and Company are to be Additional Insured by Endorsement.

g) Receipt of satisfactory commitments and form loan documents for construction and permanent financing.

h) Site inspection by Boston Financial.

i) ALTA Owner's Policy of Title Insurance.

j) Acceptable Company and tax opinions.

k) Satisfactory negotiation and execution of all legal documentation required to consummate the transactions contemplated by this LOI.

l) Approval of the terms of the investment by Boston Financial's Capital Committee in its sole and absolute discretion and satisfaction of such other conditions as it may require.

m) Accountants. The Company's accountants shall be either Novogradac & Co., LLP or the Reznick Group. Any other accountant will require consent by Boston Financial in its sole and absolute discretion.

## 7. Costs, Expenses, and Legal Counsel

In addition to any expenses that are the responsibility of the Manager it shall pay Boston Financial a due diligence fee in the amount of $50,000 (the "Due Diligence Fee"). The Due Diligence Fee shall be payable upon Admission of BFLP. If this LOI is terminated by Boston Financial then any unspent Due Diligence Fee shall be reimbursed to the Manager within 30 days of such termination.

## 8. Confidentiality and Exclusivity

The Manager, affiliates, and agents shall not disclose the terms of this LOI to any other potential investor and/or limited member. The Manager acknowledges that Boston Financial will incur certain costs and expenses in connection with its due diligence review. Upon execution hereof, unless this LOI is otherwise terminated, the Manager, its affiliates and agents, agree that it will not

continue to market the Property to any prospective investors nor will it accept any competing offers made by any prospective investors to invest in the Property.

## 9. Governing Law

This agreement shall be construed and interpreted in accordance with the laws of The Commonwealth of Massachusetts, except for any rule of such laws which would make the law of another jurisdiction applicable.

## 10. Acceptance and Term

If the Manager accepts and approves the terms, please have the authorized party so indicate by signing below. By executing this agreement, the Manager is confirming to Boston Financial that the Company and its affiliates and agents will undertake the transaction set forth herein with Boston Financial, will use their best efforts to meet the conditions set forth herein, and will suspend discussions with other parties with respect to their acquisition of this investment. This agreement may only be terminated if the conditions set forth herein are not met and such termination will be effective upon the provision of written notice by Boston Financial. The above are the general terms and conditions of the proposed transaction which are offered on a best efforts basis which is conditioned upon our ability to secure an investor

We look forward to working with you.

Sincerely,

Greg Voyentzie
Executive Vice President

AGREED & ACCEPTED:

By: Alberto Milo, Jr

Date: 2/4/16

# Boston Financial - BFIM Liberty Square Rising Phase 1B, LLC
# TAX CREDIT INVESTMENT MODEL

## DEVELOPER REPORT

## Liberty Square Rising Phase 1B, Miami, FL

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Version 3.5.2

# EXH. 2 - SOURCES AND USES OF FUNDS AT FINAL CLOSING

| SOURCES OF FUNDS | | % of Total | Per Unit | DEBT | | % of Total | Per Unit |
|---|---|---|---|---|---|---|---|
| BFIM Liberty Square Rising Phase 1B, LLC Capital Contribution | 19,806,955 | 43% | 91,699 | Lender 1 | 5,650,000 | 12% | 26,157 |
| Accrued Interest from Interim Loan | 0 | 0% | 0 | Lender 2 | 0 | 0% | 0 |
| Total Mortgages | 25,517,800 | 55% | 118,138 | Lender 3 | 0 | 0% | 0 |
| Related Group Florida Capital Contribution | 0 | 0% | 0 | Lender 4 | 19,867,800 | 43% | 91,981 |
| Cash Flow through Completion | 0 | 0% | 0 | Lender 5 | 0 | 0% | 0 |
| Interest Income from Bond and Equity Proceeds | 0 | 0% | 0 | Lender 6 | 0 | 0% | 0 |
| Outside State Credit Investor | 0 | 0% | 0 | DDF | 0 | 0% | 0 |
| Other Sources | 0 | 0% | 0 | Lender 8 | 0 | 0% | 0 |
| Acquired Reserves | 0 | 0% | 0 | Lender 9 | 0 | 0% | 0 |
| Deferred Development Fee | 864,304 | 2% | 4,001 | Lender 10 | 0 | 0% | 0 |
| TOTAL SOURCES OF FUNDS | 46,189,059 | 100% | 213,838 | Total Debt | 25,517,800 | 55% | 118,138 |

| USES OF FUNDS | | | | Tax Treatment of Expenditures: Eligible Depreciable Basis | Acquisition Cost | Other Depreciable Items | Amortizable & Expensed Items | Other Items |
|---|---|---|---|---|---|---|---|---|
| Construction Costs | | | | | | | | |
| Hard Costs: | Construction Costs (excluding LI, PP) | | 26,186,880 | 24,786,880 | 0 | 1,400,000 | | 0 |
| | Land Improvements | | 648,000 | 648,000 | 0 | 0 | | 0 |
| | Personal Property | | 648,000 | 648,000 | 0 | 0 | | 0 |
| | Builder's Profit and Overhead | | 3,233,280 | 3,233,280 | 0 | 0 | | 0 |
| | Builder's Bond Premium | | 190,939 | 190,939 | 0 | 0 | | 0 |
| Soft Costs: | Architect and Engineering Fees | | 673,000 | 673,000 | 0 | 0 | | 0 |
| | Building Permits | | 269,440 | 269,440 | 0 | 0 | | 0 |
| | Survey | | 10,000 | 10,000 | 0 | 0 | | |
| | Other Eligible Fees | | 40,000 | 40,000 | 0 | 0 | | |
| Financing: | Construction Loan Interest | | 500,000 | 500,000 | 0 | | 0 | |
| | Gap Loan Interest | | 0 | 0 | 0 | | 0 | |
| | Construction Loan Expenses | | 31,500 | 31,500 | 0 | | 0 | |
| | Construction Loan Financing Fee | | 310,480 | 310,480 | 0 | | 0 | |
| Other: | Construction Insurance | | 292,687 | 292,687 | 0 | | 0 | |
| | Real Estate Taxes | | 0 | 0 | 0 | | 0 | |
| | Tax Credit Agency Fees | | 304,941 | 0 | 0 | | 304,941 | |
| | Contingency | | 1,535,808 | 1,535,808 | 0 | 0 | | 0 |
| | Other Eligible Development Costs | | 916,000 | 916,000 | 0 | 0 | | |
| | Other Ineligible Development Costs | | 144,074 | 0 | 0 | | | 144,074 |
| Permanent Financing | | | | | | | | |
| | Permanent Loan Expenses | | 0 | 0 | 0 | | 0 | |
| | Permanent Loan Financing Fee | | 0 | 0 | 0 | | 0 | |
| | Bond Costs | | 141,500 | 0 | 0 | | 141,500 | |
| Organizational Costs | | | | | | | | |
| | Legal and Accounting Costs | | 410,000 | 320,000 | 0 | | 90,000 | 0 |
| | Title and Recording Costs | | 202,080 | 151,560 | 0 | | 50,520 | 0 |
| Acquisition Costs | | | | | | | | |
| | Structures | | 0 | 0 | 0 | 0 | | 0 |
| | Land (w/ associated Title & Recording) | | 570,000 | 0 | 0 | | | 570,000 |
| Other Costs | | | | | | | | |
| | Acquired Reserves | | 0 | 0 | 0 | 0 | 0 | 0 |
| | Tenant Relocation | | 555,000 | 555,000 | 0 | 0 | 0 | 0 |
| | Initial Rent-Up and Marketing Costs | | 50,000 | 0 | 0 | | 50,000 | |
| | Utility Connection Fees | | 259,200 | 259,200 | 0 | | 0 | 0 |
| | Accrued Interest from Interim Loan | | 0 | 0 | 0 | | 0 | |
| | Soft Cost Contingency | | 217,072 | 202,591 | 0 | | 14,481 | |
| | Other 3 | | 0 | 0 | 0 | | 0 | |
| | BFIM Due Diligence Fee | | 50,000 | 0 | 0 | | 0 | 50,000 |
| Reserves | | | | | | | | |
| | Initial Rep Res Bal | | 64,800 | 0 | 0 | | | 64,800 |
| | Debt Service Res | 08/01/18 | 0 | 0 | 0 | | | 0 |
| | Rent-Up Reserve | | 100,000 | 0 | 0 | | | 100,000 |
| | Operating Reserve | | 383,499 | 0 | 0 | | | 383,499 |
| | Operating Subsidy Reserve | | 441,947 | 0 | 0 | | | 441,947 |
| Subtotal Uses of Funds | | | 39,380,126 | 35,574,365 | 0 | 1,400,000 | 651,442 | 1,754,319 |
| | Development Fee | 17.29% of Costs | 6,808,933 | 6,808,933 | 0 | | | |
| | Other Payments | 0.00% of Costs | 0 | | | | | 0 |
| TOTAL USES OF FUNDS | | | 46,189,059 | 42,383,298 | 0 | 1,400,000 | 651,442 | 1,754,319 |

Total Fees paid in cash to Related Group Florida from development proceeds: 5,944,629 *[87.31%]*

# EXH. 3 - GAP ANALYSIS

| Construction Completion and Final Closing GAP Analysis | | 12/1/17 | 1/1/18 | 8/1/18 |
|---|---|---|---|---|
| | | Construction | Completion | Final Closing |
| Construction Loan | | 21,000,000 | 21,000,000 | 0 |
| Cash Flow and Interest Income through Completion | | 0 | 0 | 0 |
| First Permanent Loan | | 0 | 0 | 5,650,000 |
| Additional Permanent Loan(s) | | 19,867,800 | 19,867,800 | 19,867,800 |
| BFIM LLC Equity | Admission | 3,961,391 | 3,961,391 | 3,961,391 |
| | During Construction | 1,980,696 | 1,980,696 | 1,980,696 |
| | Completion Date | 0 | 1,980,696 | 1,980,696 |
| | Final Closing | 0 | 0 | 10,893,825 |
| GP & Outside Investor Equity | | 0 | 0 | 0 |
| Total | | 46,809,887 | 48,790,583 | 44,334,408 |
| Construction costs | | 39,380,126 | 39,380,126 | 39,380,126 |
| Less: | Accrued Interest from Interim Loan | 0 | 0 | 0 |
| | Initial Rent-Up and Marketing Costs | (50,000) | (50,000) | 0 |
| | Reserves | (990,245) | (825,445) | 0 |
| | Deferrals | 0 | 0 | |
| Total construction costs | | 38,339,881 | 38,504,681 | 39,380,126 |
| Development Fee/(Shortfall) | | 8,470,006 | 10,285,902 | 4,954,282 |
| BFIM LLC Equity | Later Installments | | | 990,347 |
| GP & Outside Investor Equity | | | | 0 |
| Total Development Fee/(Shortfall) | | | | 5,944,629 |
| Potential Shortfall in Permanent Loan Amount | | | | 0 |
| Total Development Fee/(Shortfall) | | | | 5,944,629 |

| Deal Liquidity | Admission | Completion | Final Closing |
|---|---|---|---|
| Cash Development Fee | 5,944,629 | 5,944,629 | 5,944,629 |
| Less Development Fee paid to Date | 0 | 0 | 0 |
| Plus Operating Reserves | 825,445 | 825,445 | 825,445 |
| Plus Contingency | 1,535,808 | 1,535,808 | 1,535,808 |
| Subtotal: Net Cash Available | 8,305,882 | 8,305,882 | 8,305,882 |
| Total Development Costs | 46,189,059 | 46,189,059 | 46,189,059 |
| Less Acquisition Costs | (540,000) | (540,000) | (540,000) |
| Less Organizational Costs | (642,080) | (642,080) | (642,080) |
| Less Construction Loan Fees and Expenses | (341,980) | (341,980) | (341,980) |
| Less Permanent Financing Costs | (141,500) | (141,500) | (141,500) |
| Less Soft Costs | (984,940) | (984,940) | (984,940) |
| Less Deferred Development Fee | (864,304) | (864,304) | (864,304) |
| Less Net Cash Available | (8,305,882) | (8,305,882) | (8,305,882) |
| Subtotal: Net Total Costs | 34,368,373 | 34,368,373 | 34,368,373 |
| Deal Liquidity | 24.17% | 24.17% | 24.17% |

Total Deal Liquidity $ 8,470,682
Total Deal Liquidity % 22.46%

50% TEST

| | |
|---|---|
| 50% Test | 47.38% |
| Eligible Basis | 42,383,298 |
| Other Deprec. | 1,400,000 |
| Land | 540,000 |
| Subtotal | 44,323,298 |
| T/E bond | 21,000,000 |

Permanent Loan Funding Analysis

| | | |
|---|---|---|
| First/Second Mortgage Amount | 5,650,000 | 0 |
| Funding Requirements: | | |
| Rate | 4.74% | 1.00% |
| Amortization | 35 | 40 |
| Debt Service Constant | 5.86% | 3.03% |
| Estimated Proforma NOI | 467,127 | 467,127 |
| Debt service Coverage Ratio | 120% | 1.20 |
| Maximum NOI available for Loan | 389,272 | 58,253 |
| Maximum Calculated Permanent Loan | 6,644,000 | 0 |
| Decrease in Permanent Loan Amount | | 0 |

CAPITAL PAYMENTS TO Liberty Square Rising Phase 1B, LP

| % Total | Release Contingency | Amount | Estimated Release Date | Cumulative Percentage |
|---|---|---|---|---|
| 20.0% | Admission | $3,961,391 | 01-Aug-16 | 20.0% |
| 10.0% | 50% Completion and Date Certain | 1,980,696 | 01-Apr-17 | 30.0% |
| 10.0% | 100% Completion and Date Certain | 1,980,696 | 01-Jan-18 | 40.0% |
| 55.0% | Final Closing, Stabilization and Date Certai | 10,893,825 | 01-Aug-18 | 95.0% |
| 5.0% | 8609s and Date Certain | 990,347 | 01-Sep-18 | 100.0% |
| 0.0% | | 0 | 01-Sep-18 | 100.0% |
| 0.0% | | 0 | 01-Dec-18 | 100.0% |
| 0.0% | | 0 | 01-Mar-19 | 100.0% |
| 0.0% | | 0 | 02-Mar-19 | 100.0% |
| 0.0% | | 0 | 02-Mar-19 | 100.0% |
| 0.0% | | 0 | 02-Mar-19 | 100.0% |
| 0.0% | | 0 | 02-Mar-19 | 100.0% |
| 0.0% | | 0 | 02-Mar-19 | 100.0% |
| 0.0% | | 0 | 02-Mar-19 | 100.0% |
| 0.0% | | 0 | 02-Mar-19 | 100.0% |
| 0.0% | | 0 | 02-Mar-19 | 100.0% |
| 0.0% | | 0 | 02-Mar-19 | 100.0% |
| 100.0% | Total Capital Payments | $19,806,955 | | |

PILLAR MULTIFAMILY
AN AFFILIATE OF GUGGENHEIM PARTNERS
330 Madison Avenue
NEW YORK, NEW YORK 10017
PILLARFINANCE.COM

February 4, 2016

Mr. Tony Del Pozzo
Mr. Albert Milo
RUDG, LLC
315 S. Biscayne Blvd. – 4th Floor
Miami, FL 33131

Re: Liberty Square Rising (the "Property"), 1,488 units
Miami, FL

Gentlemen:

Based on our review and analysis of the information you have supplied, we are pleased to provide the following permanent financing commitment for your proposed Liberty Square Rising development located in Miami-Dade County, Florida.

| | |
|---|---|
| Borrower/Applicant: | Affiliate of RUDG, LLC or such other entity acceptable to Lender. |
| Manager: | Affiliate of RUDG, LLC or such other entity acceptable to Lender. |
| Developer: | Affiliate of RUDG, LLC or such other entity acceptable to Lender. |
| Guarantor: | PRH Investments LLC or such other entity acceptable to Lender. |
| Loan / Purpose: | Permanent financing to each phase of the Project in the below amounts, subject to final underwriting: |

| Phase | Permanent Loan Amount |
|---|---|
| Liberty Square - Phase 1A Lincoln Gardens | $10,750,000 |
| Liberty Square - Phase 1B | $5,650,000 |
| Liberty Square - Phase 2 | $5,650,000 |
| Liberty Square - Phase 3A | $5,750,000 |
| Liberty Square - Phase 3B | $4,000,000 |
| Liberty Square - Phase 4B | $5,350,000 |
| Liberty Square - Phase 4C | $16,150,000 |
| Liberty Square - Phase 4D | $34,900,000 |
| | $88,200,000 |

| | |
|---|---|
| Term: | 17 Years (2 year unfunded forward commitment followed by 15 year term) |
| Interest Rate: | The interest rate on the Loan (the "Interest Rate") is estimated to be 4.74%. which rate assumes that the yield on the 10-Year Treasury at the time of rate lock is 2.00%. The Interest Rate is an estimate and |

| | |
|---|---|
| | components of the Interest Rate adjust daily and are subject to overall fluctuations in the capital markets. |
| Commitment Fee: | 1.0% of the loan amount |
| Collateral: | First mortgage; other typical pledges and assignments. |
| Guarantee: | Non-recourse to the Borrower and Guarantors, with standard carve-outs (the carve outs include, without limitation, delivery assurance, guarantees against fraud, misrepresentation, environmental and waste). |
| Loan to Value: | 90% |
| Minimum DSCR: | 1.15x based on the actual Interest Rate determined at Rate Lock. |
| Amortization Period: | 35 Years |
| Subordinate Financing: | Subordinate Financing will be permitted subject to Pillar's approval. |
| Additional: | Any real estate tax PILOT or exemption is subject to full and final due diligence and must be structured in accordance with all Pillar and applicable Agency guidelines. |
| Lending Program: | Freddie Mac or Fannie Mae |

This commitment is contingent upon credit approval and completion of the underwriting and due diligence process, including without limitation receipt of appraisals, environmental reports, Lender engineer's reports and all final budgets and operating pro forma, all satisfactory to Lender in its sole and absolute discretion. We reserve the right to modify and/or add to any terms described in this letter following receipt and review of due diligence materials. The foregoing is intended to summarize the structure and basic terms and conditions (subject to modification upon completion of due diligence by Lender) upon which Lender may provide the financing described herein and is not an inclusive statement of all provisions, documents or requirements of a closing. This commitment shall be null and void and of no further effect if not executed and returned on or before February 22, 2016.

Sincerely,
PILLAR MULTIFAMILY, LLC

By: _____
Paul Sherrington
Authorized Signatory

By the execution below, the undersigned Applicant acknowledges and agrees to the foregoing terms and conditions of this Application.

Agreed To and Accepted:

By: _____

Date: 2/4/16

Pillar

**Liberty Square - Phase 1A**

**Preliminary Loan Sizing**

| | |
|---|---|
| **# Units** | 216 |
| **Loan Amount** | $ 10,750,000 |
| | |
| **10-yr Treasury Rate (assumed at closing)** | 2.00% |
| **Spread (assumed at closing)** | 2.74% |
| **Total Rate (assumed at closing)** | 4.74% |

| **INCOME** | **Loan Sizing** | | |
|---|---|---|---|
| | Amount | % | $/Unit |
| Gross Potential Rent | $2,144,993 | 100.0% | $9,931 |
| Vacancy | -$93,240 | -7.2% | ($432) |
| Bad Debt/Collection Loss | $0 | 0.0% | $0 |
| Concessions | $0 | 0.0% | $0 |
| Baseline Adjustment (PHA Asset Mgmt fee) | -$30,629 | -1.5% | ($142) |
| **Net Rental Income** | $2,021,124 | 100.0% | $9,357 |
| | | | |
| Commercial Income | $0 | 0.0% | $0 |
| Commercial Vacancy | $0 | 0.0% | $0 |
| **Net Commercial Income** | $0 | 0.0% | $0 |
| | | | |
| Laundry/Vending | $0 | 0.0% | $0 |
| Parking | $0 | 0.0% | $0 |
| Other Income | $21,600 | 1.1% | $100 |
| **Effective Gross Income** | $2,042,724 | 101.1% | $9,457 |
| | | | |
| Real Estate Taxes | $144,145 | 7.1% | $667 |
| Property Insurance | $129,600 | 6.4% | $600 |
| Utilities | $129,600 | 6.4% | $600 |
| Repairs and Maintenance | $216,000 | 10.7% | $1,000 |
| Management Fee | $122,583 | 6.0% | $567 |
| Payroll and Benefits | $259,200 | 12.8% | $1,200 |
| Marketing | $21,600 | 1.1% | $100 |
| Professional Fees | $21,600 | 1.1% | $100 |
| General and Administrative | $32,400 | 1.6% | $150 |
| Other Expenses | $100,000 | 4.9% | $463 |
| Ground Rent | $0 | 0.0% | $0 |
| **Total Expenses** | $1,176,708 | 58.2% | $5,448 |
| | | | |
| **Net Operating Income** | $866,016 | 42.8% | $4,009 |
| | | | |
| Capital Reserve | $64,800 | 3.2% | $300 |
| Extraordinary Capital Items | $0 | 0.0% | $0 |
| **Total Capital Expenses** | $64,800 | 3.2% | $300 |
| | | | |
| **Total Expenses Incl Cap'l Expenses** | $1,241,508 | 60.8% | $5,748 |
| | | | |
| **Net Cash Flow (NOI w/Cap'l Expenses)** | $801,216 | 39.2% | $3,709 |

| | |
|---|---|
| **First Mortgage Debt Service** | 629,814 |
| **First Mortgage DSCR** | 1.27 |
| **CFFP DS** | 64,000 |
| **Total DSCR** | 1.16 |

Pillar

**Liberty Square - Phase 1B**

**Preliminary Loan Sizing**

| | | |
|---|---|---|
| # Units | | 216 |
| Loan Amount | $ | 5,650,000 |
| | | |
| 10-yr Treasury Rate (assumed at closing) | | 2.00% |
| Spread (assumed at closing) | | 2.74% |
| Total Rate (assumed at closing) | | 4.74% |

| INCOME | Loan Sizing | | |
|---|---|---|---|
| | Amount | % | $/Unit |
| Gross Potential Rent | $1,653,113 | 100.0% | $7,653 |
| Vacancy | -$37,474 | 2.3% | ($173) |
| Bad Debt/Collection Loss | $0 | 0.0% | $0 |
| Concessions | $0 | 0.0% | $0 |
| Baseline Adjustment (PHA Asset Mgmt Fee) | -$52,507 | -3.4% | ($243) |
| Net Rental Income | $1,563,132 | 100.0% | $7,237 |
| | | | |
| Commercial Income | $0 | 0.0% | $0 |
| Commercial Vacancy | $0 | 0.0% | $0 |
| Net Commercial Income | $0 | 0.0% | $0 |
| | | | |
| Laundry/Vending | $0 | 0.0% | $0 |
| Parking | $0 | 0.0% | $0 |
| Other Income | $21,600 | 1.4% | $100 |
| Effective Gross Income | $1,584,732 | 101.4% | $7,337 |
| | | | |
| Real Estate Taxes | $89,894 | 5.8% | $416 |
| Property Insurance | $129,600 | 8.3% | $600 |
| Utilities | $129,600 | 8.3% | $600 |
| Repairs and Maintenance | $216,000 | 13.8% | $1,000 |
| Management Fee | $95,084 | 6.0% | $440 |
| Payroll and Benefits | $302,400 | 19.3% | $1,400 |
| Marketing | $21,600 | 1.4% | $100 |
| Professional Fees | $21,600 | 1.4% | $100 |
| General and Administrative | $32,400 | 2.1% | $150 |
| Other Expenses (Resident Services) | $100,000 | 6.4% | $463 |
| Ground Rent | $0 | 0.0% | $0 |
| Total Expenses | $1,138,178 | 72.8% | $5,269 |
| | | | |
| Net Operating Income | $446,554 | 28.6% | $2,067 |
| | | | |
| Capital Reserve | $64,800 | 4.1% | $300 |
| Extraordinary Capital Items | $0 | 0.0% | $0 |
| Total Capital Expenses | $64,800 | 4.1% | $300 |
| | | | |
| Total Expenses Incl Cap'l Expenses | $1,202,978 | 75.9% | $5,569 |
| | | | |
| Net Cash Flow (NOI w/Cap'l Expenses) | $381,754 | 24.1% | $1,767 |
| | | | |
| Debt Service | 331,019 | | |
| Actual Debt Service Coverage | 1.15 | | |

Pillar

**Liberty Square - Phase 2**

**Preliminary Loan Sizing**

| | | |
|---|---|---|
| # Units | | 216 |
| Loan Amount | $ | 5,650,000 |
| | | |
| 10-yr Treasury Rate (assumed at closing) | | 2.00% |
| Spread (assumed at closing) | | 2.74% |
| Total Rate (assumed at closing) | | 4.74% |

| INCOME | Loan Sizing | | |
|---|---|---|---|
| | Amount | % | $/Unit |
| Gross Potential Rent | $1,653,113 | 100.0% | $7,653 |
| Vacancy | -$37,474 | 2.3% | ($173) |
| Bad Debt/Collection Loss | $0 | 0.0% | $0 |
| Concessions | $0 | 0.0% | $0 |
| Baseline Adjustment (PHA Asset Mgmt Fee) | -$52,507 | -3.4% | ($243) |
| **Net Rental Income** | $1,563,132 | 100.0% | $7,237 |
| | | | |
| Commercial Income | $0 | 0.0% | $0 |
| Commercial Vacancy | $0 | 0.0% | $0 |
| **Net Commercial Income** | $0 | 0.0% | $0 |
| | | | |
| Laundry/Vending | $0 | 0.0% | $0 |
| Parking | $0 | 0.0% | $0 |
| Other Income | $21,600 | 1.4% | $100 |
| **Effective Gross Income** | $1,584,732 | 101.4% | $7,337 |
| | | | |
| Real Estate Taxes | $89,894 | 5.6% | $416 |
| Property Insurance | $129,600 | 8.3% | $600 |
| Utilities | $129,600 | 8.3% | $600 |
| Repairs and Maintenance | $216,000 | 13.8% | $1,000 |
| Management Fee | $95,084 | 6.0% | $440 |
| Payroll and Benefits | $302,400 | 19.3% | $1,400 |
| Marketing | $21,600 | 1.4% | $100 |
| Professional Fees | $21,600 | 1.4% | $100 |
| General and Administrative | $32,400 | 2.1% | $150 |
| Other Expenses (Resident Services) | $100,000 | 6.4% | $463 |
| Ground Rent | $0 | 0.0% | $0 |
| **Total Expenses** | $1,138,178 | 72.8% | $5,269 |
| | | | |
| **Net Operating Income** | $446,554 | 28.6% | $2,067 |
| | | | |
| Capital Reserve | $64,800 | 4.1% | $300 |
| Extraordinary Capital Items | $0 | 0.0% | $0 |
| **Total Capital Expenses** | $64,800 | 4.1% | $300 |
| | | | |
| **Total Expenses Incl Cap'l Expenses** | $1,202,978 | 75.9% | $5,569 |
| | | | |
| **Net Cash Flow (NOI w/Cap'l Expenses)** | $381,754 | 24.1% | $1,767 |
| | | | |
| **Debt Service** | 331,019 | | |
| **Actual Debt Service Coverage** | 1.16 | | |

Pillar

**Liberty Square - Phase 3A**

**Preliminary Loan Sizing**

| | | |
|---|---|---|
| # Units | | 216 |
| Loan Amount | $ | 5,750,000 |
| | | |
| 10-yr Treasury Rate (assumed at closing) | | 2.00% |
| Spread (assumed at closing) | | 2.74% |
| Total Rate (assumed at closing) | | 4.74% |

| INCOME | Loan Sizing | | |
|---|---|---|---|
| | Amount | % | $/Unit |
| Gross Potential Rent | $1,685,121 | 100.0% | $7,709 |
| Vacancy | -$39,595 | 2.4% | ($183) |
| Bad Debt/Collection Loss | $0 | 0.0% | $0 |
| Concessions | $0 | 0.0% | $0 |
| Baseline Adjustment (PHA Asset Mgmt Fee) | -$51,341 | -3.3% | ($238) |
| Net Rental Income | $1,574,185 | 100.0% | $7,288 |
| | | | |
| Commercial Income | $0 | 0.0% | $0 |
| Commercial Vacancy | $0 | 0.0% | $0 |
| Net Commercial Income | $0 | 0.0% | $0 |
| | | | |
| Laundry/Vending | $0 | 0.0% | $0 |
| Parking | $0 | 0.0% | $0 |
| Other Income | $21,600 | 1.4% | $100 |
| Effective Gross Income | $1,595,785 | 101.4% | $7,388 |
| | | | |
| Real Estate Taxes | $91,874 | 5.8% | $425 |
| Property Insurance | $129,600 | 8.2% | $600 |
| Utilities | $129,600 | 8.2% | $600 |
| Repairs and Maintenance | $216,000 | 13.7% | $1,000 |
| Management Fee | $95,747 | 6.0% | $443 |
| Payroll and Benefits | $302,400 | 19.2% | $1,400 |
| Marketing | $21,600 | 1.4% | $100 |
| Professional Fees | $21,600 | 1.4% | $100 |
| General and Administrative | $32,400 | 2.1% | $150 |
| Other Expenses (Resident Services) | $100,000 | 6.4% | $463 |
| Ground Rent | $0 | 0.0% | $0 |
| Total Expenses | $1,140,821 | 72.5% | $5,282 |
| | | | |
| Net Operating Income | $454,964 | 28.9% | $2,106 |
| | | | |
| Capital Reserve | $64,800 | 4.1% | $300 |
| Extraordinary Capital Items | $0 | 0.0% | $0 |
| Total Capital Expenses | $64,800 | 4.1% | $300 |
| | | | |
| Total Expenses incl Cap'l Expenses | $1,205,621 | 76.6% | $5,582 |
| | | | |
| Net Cash Flow (NOI w/Cap'l Expenses) | $390,164 | 24.4% | $1,806 |
| | | | |
| Debt Service | 336,878 | | |
| Actual Debt Service Coverage | 1.16 | | |

Pillar

**Liberty Square - Phase 3B**

**Preliminary Loan Sizing**

| | | |
|---|---|---|
| # Units | | 144 |
| Loan Amount | $ | 4,000,000 |
| | | |
| 10-yr Treasury Rate (assumed at closing) | | 2.00% |
| Spread (assumed at closing) | | 2.74% |
| Total Rate (assumed at closing) | | 4.74% |

| INCOME | Loan Sizing | | |
|---|---|---|---|
| | Amount | % | $/Unit |
| Gross Potential Rent | $1,150,108 | 100.0% | $7,987 |
| Vacancy | -$33,485 | 2.9% | ($232) |
| Bad Debt/Collection Loss | $0 | 0.0% | $0 |
| Concessions | $0 | 0.0% | $0 |
| Baseline Adjustment (PHA Asset Mgmt Fee) | -$30,338 | -2.6% | ($211) |
| **Net Rental Income** | **$1,086,305** | **100.0%** | **$7,544** |
| | | | |
| Commercial Income | $0 | 0.0% | $0 |
| Commercial Vacancy | $0 | 0.0% | $0 |
| **Net Commercial Income** | **$0** | **0.0%** | **$0** |
| | | | |
| Laundry/Vending | $0 | 0.0% | $0 |
| Parking | $0 | 0.0% | $0 |
| Other Income | $14,400 | 1.3% | $100 |
| **Effective Gross Income** | **$1,100,705** | **101.3%** | **$7,644** |
| | | | |
| Real Estate Taxes | $68,169 | 6.3% | $473 |
| Property Insurance | $86,400 | 8.0% | $600 |
| Utilities | $86,400 | 8.0% | $600 |
| Repairs and Maintenance | $144,000 | 13.3% | $1,000 |
| Management Fee | $66,042 | 6.0% | $459 |
| Payroll and Benefits | $201,600 | 18.6% | $1,400 |
| Marketing | $14,400 | 1.3% | $100 |
| Professional Fees | $14,400 | 1.3% | $100 |
| General and Administrative | $21,600 | 2.0% | $150 |
| Other Expenses (Resident Services) | $65,000 | 6.0% | $451 |
| Ground Rent | $0 | 0.0% | $0 |
| **Total Expenses** | **$768,011** | **70.7%** | **$5,333** |
| | | | |
| **Net Operating Income** | **$332,694** | **30.6%** | **$2,310** |
| | | | |
| Capital Reserve | $43,200 | 3.9% | $300 |
| Extraordinary Capital Items | $0 | 0.0% | $0 |
| **Total Capital Expenses** | **$43,200** | **3.9%** | **$300** |
| | | | |
| **Total Expenses Incl Cap'l Expenses** | **$811,211** | **73.7%** | **$5,633** |
| | | | |
| **Net Cash Flow (NOI w/Cap'l Expenses)** | **$289,494** | **26.3%** | **$2,010** |

| | |
|---|---|
| **First Mortgage Debt Service** | 234,360 |
| **First Mortgage DSCR** | 1.24 |
| **Surtax DS** | 16,000 |
| **Total DSCR** | 1.16 |

Pillar

**Liberty Square - Phase 4B**

**Preliminary Loan Sizing**

| | | |
|---|---|---|
| # Units | | 120 |
| Loan Amount | $ | 5,350,000 |
| | | |
| 10-yr Treasury Rate (assumed at closing) | | 2.00% |
| Spread (assumed at closing) | | 2.74% |
| Total Rate (assumed at closing) | | 4.74% |

| INCOME | Loan Sizing | | |
|---|---|---|---|
| | Amount | % | $/Unit |
| Gross Potential Rent | $1,048,896 | 100.0% | $8,741 |
| Vacancy | -$63,654 | 6.1% | ($530) |
| Bad Debt/Collection Loss | $0 | 0.0% | $0 |
| Concessions | $0 | 0.0% | $0 |
| Baseline Adjustment (PHA Asset Mgmt Fee) | $0 | 0.0% | $0 |
| **Net Rental Income** | **$985,242** | **100.0%** | **$8,210** |
| | | | |
| Commercial Income | $0 | 0.0% | $0 |
| Commercial Vacancy | $0 | 0.0% | $0 |
| **Net Commercial Income** | **$0** | **0.0%** | **$0** |
| | | | |
| Laundry/Vending | $0 | 0.0% | $0 |
| Parking | $0 | 0.0% | $0 |
| Other Income | $12,000 | 1.2% | $100 |
| **Effective Gross Income** | **$997,242** | **101.2%** | **$8,310** |
| | | | |
| Real Estate Taxes | $0 | 0.0% | $0 |
| Property Insurance | $72,000 | 7.3% | $600 |
| Utilities | $72,000 | 7.3% | $600 |
| Repairs and Maintenance | $120,000 | 12.2% | $1,000 |
| Management Fee | $59,835 | 6.0% | $499 |
| Payroll and Benefits | $168,000 | 17.1% | $1,400 |
| Marketing | $12,000 | 1.2% | $100 |
| Professional Fees | $12,000 | 1.2% | $100 |
| General and Administrative | $18,000 | 1.8% | $150 |
| Other Expenses (Resident Services) | $50,000 | 5.1% | $417 |
| Ground Rent | $0 | 0.0% | $0 |
| **Total Expenses** | **$583,835** | **58.3%** | **$4,865** |
| | | | |
| **Net Operating Income** | **$413,407** | **42.0%** | **$3,445** |
| | | | |
| Capital Reserve | $36,000 | 3.6% | $300 |
| Extraordinary Capital Items | $0 | 0.0% | $0 |
| **Total Capital Expenses** | **$36,000** | **3.6%** | **$300** |
| | | | |
| **Total Expenses Incl Cap'l Expenses** | **$619,835** | **62.2%** | **$5,165** |
| | | | |
| **Net Cash Flow (NOI w/Cap'l Expenses)** | **$377,407** | **37.8%** | **$3,145** |

| | |
|---|---|
| **First Mortgage Debt Service** | 313,443 |
| **First Mortgage DSCR** | 1.20 |
| **Surtax DS** | 13,000 |
| **Total DSCR** | 1.16 |

Pillar

**Liberty Square - Phase 4C**

**Preliminary Loan Sizing**

| | |
|---|---|
| # Units | 120 |
| Loan Amount | $ 16,150,000 |
| | |
| 10-yr Treasury Rate (assumed at closing) | 2.00% |
| Spread (assumed at closing) | 2.74% |
| Total Rate (assumed at closing) | 4.74% |

| INCOME | Loan Sizing | | |
|---|---|---|---|
| | Amount | % | $/Unit |
| Gross Potential Rent | $2,113,776 | 100.0% | $17,615 |
| Vacancy | -$127,547 | 6.0% | ($1,063) |
| Bad Debt/Collection Loss | $0 | 0.0% | $0 |
| Concessions | $0 | 0.0% | $0 |
| Baseline Adjustment (PHA Asset Mgmt Fee) | $0 | 0.0% | $0 |
| **Net Rental Income** | **$1,986,229** | **100.0%** | **$16,552** |
| | | | |
| Commercial Income | $0 | 0.0% | $0 |
| Commercial Vacancy | $0 | 0.0% | $0 |
| **Net Commercial Income** | **$0** | **0.0%** | **$0** |
| | | | |
| Laundry/Vending | $0 | 0.0% | $0 |
| Parking | $0 | 0.0% | $0 |
| Other Income | $12,000 | 0.6% | $100 |
| **Effective Gross Income** | **$1,998,229** | **100.6%** | **$16,652** |
| | | | |
| Real Estate Taxes | $143,253 | 7.2% | $1,194 |
| Property Insurance | $72,000 | 3.6% | $600 |
| Utilities | $72,000 | 3.6% | $600 |
| Repairs and Maintenance | $120,000 | 6.0% | $1,000 |
| Management Fee | $119,894 | 6.0% | $999 |
| Payroll and Benefits | $168,000 | 8.5% | $1,400 |
| Marketing | $12,000 | 0.6% | $100 |
| Professional Fees | $12,000 | 0.6% | $100 |
| General and Administrative | $18,000 | 0.9% | $150 |
| Other Expenses (Resident Services) | $100,000 | 5.0% | $833 |
| Ground Rent | $0 | 0.0% | $0 |
| **Total Expenses** | **$837,147** | **42.1%** | **$6,976** |
| | | | |
| **Net Operating Income** | **$1,161,082** | **58.5%** | **$9,676** |
| | | | |
| Capital Reserve | $36,000 | 1.8% | $300 |
| Extraordinary Capital Items | $0 | 0.0% | $0 |
| **Total Capital Expenses** | **$36,000** | **1.8%** | **$300** |
| | | | |
| **Total Expenses Incl Cap'l Expenses** | **$873,147** | **43.7%** | **$7,276** |
| | | | |
| **Net Cash Flow (NOI w/Cap'l Expenses)** | **$1,125,082** | **56.3%** | **$9,376** |

| | |
|---|---|
| **First Mortgage Debt Service** | 946,186 |
| **First Mortgage DSCR** | 1.19 |
| **Surtax DS** | 30,000 |
| **Total DSCR** | 1.15 |

Pillar

**Liberty Square - Phase 4D**

**Preliminary Loan Sizing**

| | |
|---|---|
| # Units | 240 |
| Loan Amount | $ 34,900,000 |
| | |
| 10-yr Treasury Rate (assumed at closing) | 2.00% |
| Spread (assumed at closing) | 2.74% |
| Total Rate (assumed at closing) | 4.74% |

| INCOME | Loan Sizing | | |
|---|---|---|---|
| | Amount | % | $/Unit |
| Gross Potential Rent | $4,227,552 | 100.0% | $17,615 |
| Vacancy | -$255,093 | 6.0% | ($1,063) |
| Bad Debt/Collection Loss | $0 | 0.0% | $0 |
| Concessions | $0 | 0.0% | $0 |
| Baseline Adjustment (PHA Asset Mgmt Fee) | $0 | 0.0% | $0 |
| **Net Rental Income** | $3,972,459 | 100.0% | $16,552 |
| | | | |
| Commercial Income | $0 | 0.0% | $0 |
| Commercial Vacancy | $0 | 0.0% | $0 |
| **Net Commercial Income** | $0 | 0.0% | $0 |
| | | | |
| Laundry/Vending | $0 | 0.0% | $0 |
| Parking | $0 | 0.0% | $0 |
| Other Income | $24,000 | 0.6% | $100 |
| **Effective Gross Income** | $3,996,459 | 100.6% | $16,652 |
| | | | |
| Real Estate Taxes | $303,448 | 7.6% | $1,264 |
| Property Insurance | $144,000 | 3.6% | $600 |
| Utilities | $144,000 | 3.6% | $600 |
| Repairs and Maintenance | $240,000 | 6.0% | $1,000 |
| Management Fee | $239,788 | 6.0% | $999 |
| Payroll and Benefits | $336,000 | 8.5% | $1,400 |
| Marketing | $24,000 | 0.6% | $100 |
| Professional Fees | $24,000 | 0.6% | $100 |
| General and Administrative | $36,000 | 0.9% | $150 |
| Other Expenses (Resident Services) | $50,000 | 1.3% | $208 |
| Ground Rent | $0 | 0.0% | $0 |
| **Total Expenses** | $1,541,236 | 38.6% | $6,422 |
| | | | |
| **Net Operating Income** | $2,455,223 | 61.8% | $10,230 |
| | | | |
| Capital Reserve | $72,000 | 1.8% | $300 |
| Extraordinary Capital Items | $0 | 0.0% | $0 |
| **Total Capital Expenses** | $72,000 | 1.8% | $300 |
| | | | |
| **Total Expenses incl Cap'l Expenses** | $1,613,236 | 40.4% | $6,722 |
| | | | |
| **Net Cash Flow (NOI w/Cap'l Expenses)** | $2,383,223 | 59.6% | $9,930 |

| | |
|---|---|
| **First Mortgage Debt Service** | 2,044,700 |
| **First Mortgage DSCR** | 1.17 |
| **Surtax DS** | 17,000 |
| **Total DSCR** | 1.16 |

## SECTION 3.11.A) PROJECT FINANCE APPROACH – PHASE 2

Pro Forma

Construction Lender Firm Commitment

Construction Lender Underwriting

Equity Firm Commitment

Equity Underwriting

Permanent Lender Firm Commitment

Permanent Lender Underwriting

## Liberty Square Rising - Phase 2
EXECUTIVE SUMMARY

Address
Miami, FL

Total Units 216

| SOURCES | Construction Source of Funds | Per Unit | Permanent Source of Funds | Per Unit |
|---|---|---|---|---|
| Tax Credit Equity: | 5,836,506 | 27,021 | 19,455,019 | 90,070 |
| Bonds | 22,000,000 | 101,852 | 5,650,000 | 26,157 |
| HOME | 2,200,000 | 10,185 | 2,200,000 | 10,185 |
| SAIL | 5,000,000 | 23,148 | 5,000,000 | 23,148 |
| SAIL ELI | 1,735,500 | 8,035 | 1,735,500 | 8,035 |
| FHLB | 1,000,000 | 4,630 | 1,000,000 | 4,630 |
| County GOB | 8,152,316 | 37,742 | 8,152,316 | 37,742 |
| Deferred Developer Fee: | 3,240,040 | 15,000 | 840,411 | 3,891 |
| **TOTAL** | **49,164,362** | **227,613** | **44,033,246** | **203,858** |

| USES | | Total | Per Unit |
|---|---|---|---|
| **Acquisition** | | | |
| Acquisition Costs | | 540,000 | 2,500 |
| **Construction** | | | |
| Residential Construction | | 23,544,000 | 109,000 |
| Mourning Liberty City Youth Center | | 2,000,000 | |
| GC Fees | 14% | 3,576,160 | |
| Hard Cost Contingency | 5% | 1,456,008 | |
| Total Construction | | 30,576,168 | 141,556 |
| **Soft Costs** | | | |
| Accountant Cost Cert: | | 50,000 | |
| Third party (appraisal, inspections, survey etc.) | | 56,500 | |
| Environmental | | 10,000 | |
| Architectural & Engineering | | 889,000 | |
| Tenant Relocation | | 450,000 | |
| Other Project Soft Costs | | 2,052,460 | |
| Developer Legal Costs | | 180,000 | |
| Financing Costs - Issuance & Origination | | 461,980 | |
| Financing Legal Costs | | 210,000 | |
| Equity Syndication Costs | | 354,941 | |
| Replacement Reserve: | | 64,800 | |
| Lease Up Reserve | | 122,474 | |
| Operating Subsidy Reserve | | 441,947 | |
| Operating Deficit Reserve | | 383,499 | |
| Debt Reserve: | | 500,000 | |
| Soft Cost Contingency | 5% | 209,398 | |
| Soft Costs | | 6,436,998 | 29,801 |
| **TOTAL COSTS before Developer Fee** | | **37,553,166** | **173,857** |
| Developer Fee | | 6,480,080 | 30,000 |
| **TOTAL COSTS** | | **44,033,246** | **203,858** |
| **Total Development Costs Excluding Land** | | **43,493,246** | **201,358** |

**SCHEDULE OF FORECASTED BASE-YEAR REVENUES AND EXPENSES**

**Project:** Liberty Square Rising - Phase 2
**Project County:** Miami Dade

| Income Level Served | Number of BRs | Number of Units | Pro Forma Rent | Annual Rent |
|---|---|---|---|---|
| **PHA** | 1 | 13 | 596.08 | 92,988 |
| **PHA** | 2 | 93 | 596.08 | 665,225 |
| **PHA** | 3 | 25 | 596.08 | 178,824 |
| **PHA** | 4 | 28 | 596.08 | 200,283 |
| **PHA** | 5 | 21 | 596.08 | 150,212 |
| **60%** | 1 | 9 | 706.00 | 76,248 |
| **60%** | 2 | 18 | 849.00 | 183,384 |
| **60%** | 3 | 9 | 981.00 | 105,948 |
| **Totals** | | 216 | | 1,653,113 |

| ANNUAL OPERATING | | CURRENT Annual | Annual Rents / Unit |
|---|---|---|---|
| Public Housing Units[1] | | 1,287,533 | 5,961 |
| Affordable Rents | | 365,580 | 1,693 |
| Total Gross Potential Rental Revenue | | **1,653,113** | **7,653** |
| Miscellaneous Revenue | | 21,600 | 100 |
| **Gross Potential Income** | | **1,674,713** | **7,753** |
| Vacancy and Collection Loss[2] | 6% | 37,474 | 173 |
| PHA Asset Management Fee | 5% | 52,507 | 243 |
| **EFFECTIVE GROSS INCOME (EGI)** | | **1,584,732** | **7,337** |
| General & Administrative | | 32,400 | 150 |
| Payroll | | 302,400 | 1,400 |
| Utilities | | 129,600 | 600 |
| Marketing | | 21,600 | 100 |
| Maintenance & repairs | | 75,600 | 350 |
| Security | | 75,600 | 350 |
| Service contracts | | 64,800 | 300 |
| Resident Services | | 100,000 | 463 |
| Management Fee | | 95,084 | 440 |
| Professional services | | 21,600 | 100 |
| **Subtotal - Controllable** | | 918,684 | 4,253 |
| Real Estate Taxes | | 89,894 | 416 |
| Property and Liability Ins. | | 129,600 | 600 |
| **Subtotal - Taxes & Insurance** | | 219,494 | 1,016 |
| **Total Annual Operating Expenses & Reserves** | | **1,138,178** | **5,269** |
| Replacement Reserve Deposits | | 64,800 | 300 |
| **NET OPERATING INCOME (LOSS)** | | **$ 381,754** | **$ 1,767** |

**NOTES**

1.) Net of operating subsidy proration which was approximately 11% in 2014

2.) Vacancy & Collection based on 6% of tenant paid rent only.

OPERATING PROFORMA - Liberty Square Rising - Phase 2

| Revenue | Growth | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 | Year 9 | Year 10 | Year 11 | Year 12 | Year 13 | Year 14 | Year 15 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Rental Income** | | | | | | | | | | | | | | | | |
| Tenant Rent | 3.0% | 237,384 | 244,506 | 251,841 | 259,396 | 267,178 | 275,193 | 283,449 | 291,952 | 300,711 | 309,732 | 319,024 | 328,595 | 338,453 | 348,606 | 359,065 |
| Operating Subsidy | 3.0% | 883,894 | 910,410 | 937,723 | 965,854 | 994,830 | 1,024,675 | 1,055,415 | 1,087,078 | 1,119,690 | 1,153,281 | 1,187,879 | 1,223,515 | 1,260,221 | 1,298,028 | 1,336,968 |
| Utility Subsidy | 3.0% | 166,255 | 171,243 | 176,380 | 181,672 | 187,122 | 192,735 | 198,517 | 204,473 | 210,607 | 216,925 | 223,433 | 230,136 | 237,040 | 244,151 | 251,476 |
| Affordable Rents | 2.0% | 365,580 | 372,892 | 380,349 | 387,956 | 395,716 | 403,630 | 411,702 | 419,937 | 428,335 | 436,902 | 445,640 | 454,553 | 463,644 | 472,917 | 482,375 |
| **Total Rent Revenue** | | **1,653,113** | **1,699,050** | **1,746,293** | **1,794,878** | **1,844,845** | **1,896,233** | **1,949,084** | **2,003,439** | **2,059,343** | **2,116,840** | **2,175,976** | **2,236,799** | **2,299,358** | **2,363,702** | **2,429,884** |
| | | | 1.0278 | | | | | | | | | | | | | |
| **Rent Loss** | | | | | | | | | | | | | | | | |
| Vacancy and Collection Loss | 6.0% | 37,474 | 38,366 | 39,280 | 40,216 | 41,176 | 42,160 | 43,169 | 44,202 | 45,261 | 46,347 | 47,460 | 48,600 | 49,769 | 50,968 | 52,196 |
| PHA Asset Management Fee | 5.0% | 52,507 | 54,083 | 55,705 | 57,376 | 59,098 | 60,871 | 62,697 | 64,578 | 66,515 | 68,510 | 70,566 | 72,683 | 74,863 | 77,109 | 79,422 |
| **Total Rent Loss** | | **89,981** | **92,448** | **94,985** | **97,593** | **100,274** | **103,031** | **105,865** | **108,780** | **111,776** | **114,857** | **118,025** | **121,283** | **124,632** | **128,077** | **131,619** |
| | | | 1.0274 | | | | | | | | | | | | | |
| **Other Revenue** | | | | | | | | | | | | | | | | |
| Miscellaneous Revenue | 2.0% | 21,600 | 22,032 | 22,473 | 22,922 | 23,381 | 23,848 | 24,325 | 24,812 | 25,308 | 25,814 | 26,330 | 26,857 | 27,394 | 27,942 | 28,501 |
| **Total Other Revenue** | | **21,600** | **22,032** | **22,473** | **22,922** | **23,381** | **23,848** | **24,325** | **24,812** | **25,308** | **25,814** | **26,330** | **26,857** | **27,394** | **27,942** | **28,501** |
| | | | 1.0200 | | | | | | | | | | | | | |
| **Total Revenue** | | **1,584,732** | **1,628,634** | **1,673,781** | **1,720,208** | **1,767,952** | **1,817,051** | **1,867,544** | **1,919,472** | **1,972,875** | **2,027,797** | **2,084,281** | **2,142,373** | **2,202,119** | **2,263,567** | **2,326,766** |
| **Expenses** | | | | | | | | | | | | | | | | |
| General & Administrative | 3.0% | 32,400 | 33,372 | 34,373 | 35,404 | 36,466 | 37,560 | 38,687 | 39,848 | 41,043 | 42,275 | 43,543 | 44,849 | 46,195 | 47,580 | 49,008 |
| Payroll | 3.0% | 302,400 | 311,472 | 320,816 | 330,441 | 340,354 | 350,564 | 361,081 | 371,914 | 383,071 | 394,563 | 406,400 | 418,592 | 431,150 | 444,085 | 457,407 |
| Utilities | 3.0% | 129,600 | 133,488 | 137,493 | 141,617 | 145,866 | 150,242 | 154,749 | 159,392 | 164,173 | 169,099 | 174,172 | 179,397 | 184,779 | 190,322 | 196,032 |
| Marketing | 3.0% | 21,600 | 22,248 | 22,915 | 23,603 | 24,311 | 25,040 | 25,792 | 26,565 | 27,362 | 28,183 | 29,029 | 29,899 | 30,796 | 31,720 | 32,672 |
| Maintenance & repairs | 3.0% | 75,600 | 77,868 | 80,204 | 82,610 | 85,088 | 87,641 | 90,270 | 92,978 | 95,768 | 98,641 | 101,600 | 104,648 | 107,788 | 111,021 | 114,352 |
| Security | 3.0% | 75,600 | 77,868 | 80,204 | 82,610 | 85,088 | 87,641 | 90,270 | 92,978 | 95,768 | 98,641 | 101,600 | 104,648 | 107,788 | 111,021 | 114,352 |
| Service contracts | 3.0% | 64,800 | 66,744 | 68,746 | 70,809 | 72,933 | 75,121 | 77,375 | 79,696 | 82,087 | 84,549 | 87,086 | 89,698 | 92,389 | 95,161 | 98,016 |
| Resident Services | 3.0% | 100,000 | 103,000 | 106,090 | 109,273 | 112,551 | 115,927 | 119,405 | 122,987 | 126,677 | 130,477 | 134,392 | 138,423 | 142,576 | 146,853 | 151,259 |
| Management Fee | 3.0% | 95,084 | 97,936 | 100,875 | 103,901 | 107,018 | 110,228 | 113,535 | 116,941 | 120,449 | 124,063 | 127,785 | 131,618 | 135,567 | 139,634 | 143,823 |
| Professional services | 3.0% | 21,600 | 22,248 | 22,915 | 23,603 | 24,311 | 25,040 | 25,792 | 26,565 | 27,362 | 28,183 | 29,029 | 29,899 | 30,796 | 31,720 | 32,672 |
| Real Estate Taxes | 3.0% | 89,894 | 92,591 | 95,369 | 98,230 | 101,177 | 104,212 | 107,338 | 110,558 | 113,875 | 117,291 | 120,810 | 124,434 | 128,167 | 132,012 | 135,973 |
| Insurance | 3.0% | 129,600 | 133,488 | 137,493 | 141,617 | 145,866 | 150,242 | 154,749 | 159,392 | 164,173 | 169,099 | 174,172 | 179,397 | 184,779 | 190,322 | 196,032 |
| **Total Cost of Operations** | | **1,138,178** | **1,172,323** | **1,207,493** | **1,243,718** | **1,281,029** | **1,319,460** | **1,359,044** | **1,399,815** | **1,441,810** | **1,485,064** | **1,529,616** | **1,575,504** | **1,622,770** | **1,671,453** | **1,721,596** |
| **Replacement Reserve Deposits** | 1.5% | **64,800** | **65,772** | **66,759** | **67,760** | **68,776** | **69,808** | **70,855** | **71,918** | **72,997** | **74,092** | **75,203** | **76,331** | **77,476** | **78,638** | **79,818** |
| **Net Operating Income** | | **381,754** | **390,539** | **399,529** | **408,730** | **418,146** | **427,782** | **437,645** | **447,738** | **458,069** | **468,641** | **479,462** | **490,538** | **501,874** | **513,476** | **525,352** |
| **Debt Service - Hard** | | | | | | | | | | | | | | | | |
| First Mortgage | Rate | | | | | | | | | | | | | | | |
| *Interest Payments* | 4.74% | 266,419 | 263,289 | 260,008 | 256,568 | 252,961 | 249,180 | 245,215 | 241,059 | 236,701 | 232,132 | 227,341 | 222,319 | 217,053 | 211,532 | 205,744 |
| *Principal Payments* | | 64,600 | 67,730 | 71,011 | 74,451 | 78,057 | 81,839 | 85,803 | 89,960 | 94,318 | 98,887 | 103,677 | 108,700 | 113,966 | 119,487 | 125,275 |
| Total | | 331,019 | 331,019 | 331,019 | 331,019 | 331,019 | 331,019 | 331,019 | 331,019 | 331,019 | 331,019 | 331,019 | 331,019 | 331,019 | 331,019 | 331,019 |
| **Hard Pay Debt Service** | | **331,019** | **331,019** | **331,019** | **331,019** | **331,019** | **331,019** | **331,019** | **331,019** | **331,019** | **331,019** | **331,019** | **331,019** | **331,019** | **331,019** | **331,019** |
| *DSCR* | | *1.15* | *1.18* | *1.21* | *1.23* | *1.26* | *1.29* | *1.32* | *1.35* | *1.38* | *1.42* | *1.45* | *1.48* | *1.52* | *1.55* | *1.59* |
| **Total Debt Service** | | 331,019 | 331,019 | 331,019 | 331,019 | 331,019 | 331,019 | 331,019 | 331,019 | 331,019 | 331,019 | 331,019 | 331,019 | 331,019 | 331,019 | 331,019 |
| **Before Tax Cash Flow** | | 50,735 | 59,520 | 68,510 | 77,711 | 87,127 | 96,764 | 106,626 | 116,720 | 127,050 | 137,623 | 148,444 | 159,519 | 170,855 | 182,458 | 194,333 |
| **Deferred Developer Fee Balance** | | 840,411 | 794,676 | 740,306 | 677,100 | 604,853 | 523,353 | 432,386 | 331,730 | 221,160 | 100,444 | - | - | - | - | - |
| LP Asset Management Fee: | 3.0% | 5,000 | 5,150 | 5,305 | 5,464 | 5,628 | 5,796 | 5,970 | 6,149 | 6,334 | 6,524 | 6,720 | 6,921 | 7,129 | 7,343 | 7,563 |
| Deferred Developer Fee and Interest: | | 45,735 | 54,370 | 63,206 | 72,248 | 81,500 | 90,967 | 100,656 | 110,570 | 120,716 | 100,444 | - | - | - | - | - |
| **Cash Flow after Developer Fee** | | - | - | - | - | - | - | - | - | - | 30,655 | 141,724 | 152,598 | 163,726 | 175,115 | 186,770 |

Community Capital

February 2, 2016

Mr. Alberto Milo, Jr.
Related Urban Development Group ("RUDG")
444 Brickell Avenue Suite 301
Miami, FL 33131

**Re: Commitment to utilize Private Activity Volume Cap to finance Multifamily Rental Projects relating to the new construction of eight projects to be known as Liberty Square Rising Phase 1A, Liberty Square Rising Phase 1B, Liberty Square Rising Phase 2, Liberty Square Rising Phase 4B, Liberty Square Rising Phase 4C, and Liberty Square Rising Phase 4D located in Miami-Dade County, Florida (the "Property" or "Properties")**

Ladies and Gentlemen:

Citibank, N.A.("CITI") is pleased to offer to RUDG ("Sponsor"), as the Sponsor of to-be-formed affiliates ("Borrower" or "Borrowers"), this commitment ("Commitment") for financing , subject to the terms, requirements and conditions which follow. All capitalized terms used herein, unless otherwise defined, shall have the meaning set forth on Exhibit A annexed hereto and incorporated herein by this reference (the "Commitment Terms"). CITI's decision to issue this Commitment was made in reliance upon the representations and material supplied by Sponsor and Sponsor's representatives, as more particularly described on Exhibit B annexed hereto. CITI understands that Sponsor intends to submit this Commitment to Miami-Dade County Housing Finance Authority ("Governmental Lender") in support of Sponsor's application to obtain 1) private activity volume cap allocation(s) with respect to the financing of the Properties and 2) soft financing from Miami-Dade County. **This Commitment is subject to, among other things, CITI completing due diligence to confirm the representations made by Sponsor and obtaining credit committee approval.**

**In connection with this Commitment, CITI will be acting solely as a principal and not as your agent, advisor or fiduciary. CITI has not assumed a fiduciary responsibility with respect to this Commitment, and nothing in this Commitment or in any prior relationship between you and CITI will be deemed to create an advisory, fiduciary or agency relationship between us in respect of this Commitment. You should consider carefully whether you would like to engage an independent advisor to represent or otherwise advise you in connection with this Commitment, if you have not already done so.**

A. **Transaction Summary.** The terms of the tax-exempt financing transaction (the "Transaction") that is the subject of this Commitment is as follows:

1. On the issuance date (the "Closing Date"), CITI shall fund a loan (the "Funding Loan") to Governmental Lender, and Governmental Lender shall simultaneously issue a note (the "Governmental Lender Note") to CITI. The proceeds of the Funding Loan shall be used by Governmental Lender to make a tax-exempt loan (the "Tax-Exempt Loan" or the "Borrower Loan") to Borrower to finance the Property, for which the Governmental Lender receives a borrower note (the "Borrower Note"). Borrower shall be responsible for securing the issuance and delivery of the Tax-Exempt Loan by the Governmental Lender.

2. Upon closing of the transaction, the rights of Governmental Lender in the Borrower Loan and all documents evidencing and securing the Borrower Loan (the "Borrower Loan Documents") shall be assigned to a fiscal agent, which may be CITI (the "Fiscal Agent"), as security for the

Governmental Lender's obligations to CITI evidenced by the Governmental Lender Note. CITI will administer and direct the disbursement of the proceeds of the Funding Loan and the Borrower Loan and will oversee the construction work to be performed on the Property (the "Improvements"). The completion of the Improvements and all related work shall be performed during the Construction Phase (as hereinafter defined).

3. CITI shall have the right to engage a third party servicer ("Servicer") to provide limited servicing/oversight functions on behalf of CITI pursuant to a separate servicing agreement with CITI. CITI shall pay Servicer any applicable servicing fee.

4. Intentionally Omitted

5. CITI anticipates that CITI's interest in the Tax-Exempt Loan may be transferred to any eligible investor, which may be a government sponsored enterprise or institutional investor (or a trust for the benefit thereof) and CITI's underwriting and documentation will provide for the possibility of such transfer.

**B. Conditions Precedent to Closing.** The obligation of CITI to make the Funding Loan is subject to satisfaction of the following conditions precedent ("Conditions Precedent to Closing"), in each case in a manner acceptable to CITI. The form and substance of all documents and items submitted by Borrower hereunder must be acceptable to CITI and its counsel.

1. Credit Approval. This Commitment is subject, among other things, to CITI obtaining final credit committee approval. Sponsor understands and agrees that this is subject to final approvals as set forth in Part E.4. of this Commitment and is not an agreement to make a loan. Any documentation will be forthcoming only after final approval of the underwriting by CITI's credit committee. The financing will be documented separately and will contain terms and conditions that may be in addition to or in substitution of those set forth in the Commitment.

2. Documents. Borrower shall duly authorize, execute and deliver or cause to be delivered at closing a Multifamily Note, a Multifamily Deed of Trust, Deed to Secure Debt or Mortgage, where appropriate (the "Security Instrument"), a Guaranty or Guarantees (including a Completion and Payment Guaranty for the Construction Phase and a Non-recourse Carve-out Guaranty), an Agreement of Environmental Indemnification, a Replacement Reserve Agreement, a Construction Funding Agreement, Assignments and any other assignment, financing statement, agreement or document required by CITI in connection with the Loan (collectively, the "Mortgage Documents"). The Funding Loan Agreement, the Regulatory Agreement, the Borrower Loan Agreement, the Borrower Note and all other documents executed or issued in connection with the transaction shall be referred to, collectively, as the "Tax-Exempt Loan Documents". The Security Instrument and Borrower Note shall initially be for the benefit of Governmental Lender and shall be assigned on the Closing Date to CITI. The Tax-Exempt Loan Documents must be in a form satisfactory to CITI and Governmental Lender. Where appropriate, the Mortgage Documents and the Tax-Exempt Loan Documents shall be acknowledged, recorded and filed in the public record, and all recording receipts promptly delivered to CITI.

3. Title Insurance. Borrower shall promptly deliver to CITI a commitment for a mortgagee's title insurance policy, prepared in accordance with CITI's title insurance instructions, along with a pro forma policy in the form included in such instructions. The title insurance commitment and policy must satisfy all of the requirements of such instructions and include such other coverage and endorsements as CITI may require. The company and/or agent issuing the commitment shall be acceptable to CITI in all respects. Borrower shall also furnish CITI with copies of all instruments affecting title to the Property including, but not limited to, all instruments referenced in Schedule B of the pro forma policy.

4. UCC Search/Perfection. Borrower shall commission UCC searches in the real estate records and personal property records of the following jurisdictions and shall furnish written reports of such searches to CITI: (i) the jurisdiction where the Property is located, (ii) any other jurisdiction in which Borrower has its principal office for the conduct of its business, (iii) in the central UCC filing location specified by the law of the state where the Property is located, and (iv) any other office where filing is necessary to perfect Governmental Lender's or Fiscal Agent's security interest in the Collateral (as hereinafter defined). All such searches shall be updated to the time of recordation of the Mortgage Documents and shall show no security interests affecting the Property, Guarantor or Borrower, other than those naming Governmental Lender or Fiscal Agent as the secured party. Borrower shall cause the appropriate filing of financing statements, on forms supplied by CITI, evidencing Governmental Lender's or Fiscal Agent's perfected first priority security interest in all personal property, machinery, equipment, building materials, contract rights, furniture, fixtures, royalties, receivables and other rights related thereto, as well as all leases, rents, revenues and proceeds therefrom and all proceeds of the foregoing (collectively, the "Collateral"). Such filing shall be in compliance with both the Uniform Commercial Code, as adopted in the state in which the Property is located, and all other applicable laws affecting the perfection of security interests. Borrower shall furnish to CITI, promptly upon recordation, receipted or time stamped copies of the filed financing statements.

5. Authority. Borrower shall furnish to CITI certified documents satisfactory to CITI evidencing Borrower's power and authority to enter into the Mortgage Documents and the Tax-Exempt Loan Documents. If Borrower is a corporation, such documents shall include Borrower's Articles of Incorporation, Bylaws, corporate resolution relevant to the Loan and a Certificate of Good Standing from the state of incorporation and the state where the Property is located. If Borrower is a partnership, such documents shall include a copy of the partnership agreement and partnership certificate, and the above-referenced corporate documents for any corporate general partner of Borrower. If Borrower is a limited liability company, such documents shall include a copy of the Articles of Organization and Operating Agreement and the Certificate of Authenticity or Certificate of Good Standing from the state of organization and the state where the Property is located.

6. Leases. The standard form of lease used at the Property shall be subject to the prior written approval of CITI. All new leases and renewals of existing leases shall be made on the approved standard form of lease unless otherwise agreed to by CITI. There must be no commercial leases affecting the Property, except for any laundry lease and other commercial lease disclosed in writing to and approved in writing by CITI and its counsel prior to the date of this Commitment. Any current commercial lease or laundry lease must be subordinated to the lien of the Security Instrument and other Mortgage Documents. Borrower agrees that any future commercial lease or laundry lease or renewal of any current commercial lease or laundry lease will contain language acceptable to CITI subordinating said lease to the lien of the Security Instrument and other Mortgage Documents. There must be no default under any current commercial lease or laundry lease.

7. Borrower's Management Agreement. Borrower shall furnish to CITI a copy of Borrower's management agreement. The management agreement must be with a professional management company and both the management company and the terms of the management agreement must be approved in writing by CITI. Borrower shall not make or permit to be made any changes to the management agreement without the prior written approval of CITI. Without limiting the foregoing, the management agreement must be terminable by owner on 30 days' notice, with or without cause and without payment of any termination fee. If required by CITI, a portion of the management fee

may be required to be subordinated to debt service and other amounts payable with respect to the Loan.

8. Rent Roll. [not applicable]

9. Appraisal. CITI shall have received an appraisal of the Property satisfactory to CITI.

10. Opinion of Borrower's Counsel. Borrower shall deliver to CITI a written opinion by Borrower's counsel approved by CITI, addressed to CITI, Issuer and Bond Trustee and in the form furnished or approved by CITI's counsel.

11. Insurance. Borrower shall deliver to CITI an insurance policy evidencing the existence of insurance relating to the Property, which evidence shall include "paid" premium invoices, conforming in all respects to CITI's insurance requirements as provided to Borrower in a separate package, as same may, from time to time, be modified. Such insurance for the Property shall include, without limitation, coverage for acts of terrorism and, if applicable, flood insurance (as more particularly set forth in Paragraph 17 below). In addition, Borrower must deliver prior to closing (i) the original, or a copy certified by the insurance agent, of the policy(ies) of insurance; or (ii) the insurance binder; or (iii) a certificate of insurance (Acord Form 28 property or Acord Form 27 liability or other form, satisfactory to Lender, provided by the insurance agent); or (iv) original letter from the insurance carrier on the primary layer, signed by an officer of such carrier, attaching the form of insurance policy pursuant to which coverage is being provided, and, if applicable, original letter from each insurance carrier on the excess layers, signed by an officer of such carrier(s) agreeing that it is bound to the form of insurance policy delivered by the primary carrier *(i.e.*, agreeing to "follow form" to the primary carrier). The letter must set forth the date by which the policy will be delivered to CITI, which must not be more than sixty (60) days following closing. All mortgagee/loss payee/additional insured endorsements must be attached to the letter.

12. Permits/Occupancy. Borrower shall deliver to CITI evidence satisfactory to CITI that all applicable governmental authorities have authorized construction of the Improvements and the development and, if applicable, the operation of the Property as a multifamily residential unit, including, without limitation, occupancy permits (if applicable) and building permits. Any nonresidential occupancy must be approved in writing by CITI.

13. Zoning/Subdivision. Borrower shall deliver to CITI certification from the local governmental authority (i) that the use of the Property as a multifamily residential complex complies with all zoning and subdivision ordinances and regulations applicable to the Property and that it is either a legal, conforming use or a legal, nonconforming use acceptable under CITI's underwriting standards, (ii) that the Property has been properly subdivided, and (iii) that the improvements on the Property can be rebuilt on the same location to their presently existing size, shape and density if partially or totally destroyed.

14. Access/Utilities. Borrower shall deliver to CITI evidence satisfactory to CITI that the Property is located on a publicly dedicated and maintained roadway or acceptable easement thereto, is served by public water and sewer systems, electricity and telephone service, and receives adequate municipal services (fire, police and transportation, among others).

15. Other Compliance. Borrower shall deliver to CITI evidence satisfactory to CITI that the Property, and Borrower's operation thereof, is in compliance with all local and/or state building, safety, health and fire codes, all clean air and water acts and other Hazardous Materials Laws (as hereinafter defined), and all equal opportunity, anti-discriminatory and fair housing requirements.

16. Survey. Borrower shall deliver to CITI a current, certified, "boundary" or "as-built" (as applicable) ALTA survey of the Property and surveyor's certificate, prepared by a registered engineer or surveyor approved by CITI. The survey and surveyor's certificate shall be satisfactory in form and substance to CITI and shall contain those matters set forth in CITI's survey instructions.

17. Flood Zone Map/Certification/Insurance. Borrower shall deliver to CITI a certification from Borrower's architect, engineer or surveyor stating whether the Property is located in a designated special Flood Plain Hazard area, as designated by appropriate federal agencies. If all or any portion of the Property is at any time during the term of the Loan, located in such an area, Borrower shall provide satisfactory evidence to CITI of the existence of flood insurance policies in the maximum amount required pursuant to applicable laws covering all of the improvements on the Property which lie within, are bounded by, or are in any way affected by such area.]

18. Operating Documents. Borrower shall furnish copies of any form documents used for the Property and any equipment leases, licenses, franchises, permits, contracts, and any other agreements required for the operation, use, management or occupancy of the Property, and all such items shall be subject to written approval by CITI.

19. Financial Statements of Borrower and Guarantor. CITI shall receive, for its review and approval detailed financial statements for Borrower, any principal in Borrower and each Guarantor, certified by Borrower, such principal or the Guarantor, as the case may be. CITI may also require updated and/or recertified financial statements as of the Closing Date.

20. Environmental Assessment Report. CITI shall receive and approve a written report or reports from CITI's independent environmental inspectors confirming that the Property and any site within the vicinity of the Property (i) has not contained and does not currently contain any Hazardous Material or underground storage tanks or any other pollutants that could be detrimental to the Property, human health or the environment, (ii) does not contain radon gas in levels unacceptable to CITI, (iii) complies with all applicable Hazardous Material Laws and has not been identified by any environmental regulatory body as a site containing Hazardous Material or underground storage tanks, (iv) shows no other environmental problem that would bring the Property within the purview of any federal, state or local environmental law or ordinance, and (v) contains no residual effect due to the removal of storage tanks or Hazardous Material. All deficiencies with respect to any environmental matters which CITI deems to be material shall be corrected by Borrower at its own expense to the satisfaction of CITI. "Hazardous Material" means and includes, without limitation, mold, asbestos and any substance containing asbestos, the group of organic compounds known as polychlorinated biphenyls, flammable explosives, radioactive materials, lead-based paint, chemicals known to cause cancer or reproductive toxicity, pollutants, effluents, contaminants, emissions or related materials and any items included in the definition of hazardous or toxic wastes, materials or substances under the Hazardous Material Laws. "Hazardous Material Laws" means and includes, all federal, state and local statutes, ordinances, regulations, orders, and decrees now or hereafter promulgated in connection with preserving the environment and/or the handling, storage, transport and disposal of Hazard Material.

21. Separate Tax Parcel(s). The Property shall constitute one or more separate and distinct tax parcels for purposes of all real estate taxes and assessments. There shall be no overlap whatsoever between the Property and any other property which will not be subject to the first lien of the Security Instrument. Borrower shall also furnish the most recent tax bills for the Property.

22. Opinion of Tax Counsel. CITI must receive from nationally recognized tax counsel approved by CITI an unqualified opinion (i) as to the validity and enforceability of the Tax-Exempt Loan, (ii) that the interest on the Tax-Exempt Loan is excluded from the gross income of

the owners thereof for federal income tax purposes under the Internal Revenue Code of 1986, as amended, and (iii) that the interest on the Tax-Exempt Loan is excluded from the gross income of the owners thereof for state income tax purposes if such exclusion is available under state law. Tax counsel must have (a) addressed its opinion to CITI, (b) addressed its opinion to CITI or (c) provided CITI a letter, addressed to CITI, stating that CITI may rely upon the opinion. Both the opinion and, if applicable, the reliance letter must be satisfactory to CITI.

23. Governmental Lender Requirements. CITI must receive evidence that Governmental Lender shall not impose restrictions, requirements or conditions in connection with its willingness to issue the Tax-Exempt Loan that are unacceptable to CITI. The restrictions imposed by the Tax-Exempt Loan Documents must be consistent with the restrictions on the use of the Property, on the income of tenants and on any rent charge that was used in underwriting the Funding Loan.

24. Low-Income Housing Tax Credits ("LIHTC"). CITI must approve any land use restriction agreement or regulatory agreement regulating or restricting the use or manner of operation of the Property and requiring that the Property be operated as a residential rental project occupied by individuals of low income (as provided for in the Treasury Regulations under Section 42(g) of the Internal Revenue Code). Such regulatory agreement must provide that the Property shall at all times be operated in such manner as to comply with the requirements of the Internal Revenue Code, the Treasury Regulations and IRS Rulings for obtaining and for preserving the LIHTC. In addition, the eligibility of the Property for LIHTC shall be evidenced to CITI in a manner satisfactory to CITI. Such regulatory agreement must be reviewed and approved in writing by CITI.

25. Equity and Funding Conditions. CITI must approve the partners/members (including the Tax Credit Investor), the applicable investment agreement, and the organizational documents of Borrower. CITI must receive and approve evidence satisfactory to CITI in all respects that the amount of the equity contribution is projected to be at least the level used by CITI in underwriting the transaction. Borrower's organizational documents shall contain restrictions acceptable to CITI on the syndication or other transfer of the Tax Credit Investor's interest, in whole or in part (including any interest therein), to eligible investors. In addition, prior to the Closing Date, CITI must receive and approve evidence satisfactory to CITI in all respects that Borrower (i) has timely received all required equity contributions to be made to Borrower as of the Closing Date, (ii) has fully funded, for the benefit of the Property, all cash required to be invested in the Property as of the Closing Date, and (iii) has made satisfactory arrangements to fund all cash required to be funded after the Closing Date. Borrower must also provide and CITI must approve in writing any developer's agreement relating to the Property.

26. Construction Phase Budget. CITI will require satisfactory evidence that other funds and Loan Proceeds are adequate to complete the Improvements and carry the costs of the Property (including but not limited to interest, taxes, insurance, and operating costs), as determined by CITI based upon its review of scope of work, the Appraisal and other relevant information. CITI reserves the right to receive, review and approve all project expenditures made prior to closing.

27. Architectural Consultant and Construction Inspector. CITI shall have approved an architectural consultant to monitor the progress of the Improvements (the "Architectural Consultant") and Borrower and the Architectural Consultant shall have executed and delivered to CITI an agreement in form and substance acceptable to CITI, pursuant to which the Architectural Consultant shall agree to certify hard cost progress payments and to provide the certifications required pursuant to this Commitment upon completion of the Improvements. In addition, CITI will enter into an agreement directly with a construction inspector ("Construction Inspector") for the benefit of CITI, but at the sole cost and expense of Borrower, to review the

plans and specifications, contracts and budget for the Improvements and to monitor the progress of the construction of the Improvements in the manner required by CITI.

28. Approved Plans. CITI and its engineering consultants and the Construction Inspector shall have received and approved the plans and specifications for the Improvements (such plans and specifications, as approved by CITI are referred to herein as the "Approved Plans"), the budget for completion of the Improvements, a fixed or a guaranteed maximum price contract for completion of the Improvements with a general contractor acceptable to CITI and a construction draw schedule for the Improvements.

29. Change Orders. The Approved Plans and the Construction Contract, and any change orders issued thereunder, will be subject to the approval of CITI.

30. Contractors. The architect, general contractor and such other contractors and subcontractors with respect to the Property as shall be identified by Borrower and approved by CITI shall have acknowledged the collateral assignment of their respective contracts to CITI and agreed in writing to continue performance on behalf of CITI under their respective contracts without additional cost in the event of a default by Borrower, which agreements shall be in form and substance acceptable to CITI and its counsel.

31. Payment and Performance Bonds. To the extent indicated on Exhibit A hereto, Borrower shall be required to deliver to CITI payment and performance bonds with respect to its contractor and major subcontractors (as determined by CITI).

32. Additional Documents. Upon request by CITI, Borrower shall furnish CITI with any documentation being furnished to any other party lending or investing in the Property (including CITI), including any plans for the Improvements, construction budgets, contracts and disbursement requests. In addition, Borrower shall deliver to CITI all other documents, instruments and other items required by CITI in connection with the making of the Funding Loan.

33. Additional Funding Requirements: All final documentation and due diligence must be delivered to tax counsel and/or counsel to CITI prior to the release of any funds for the Funding Loan, and under no circumstances will CITI authorize the closing of the Funding Loan until counsel to CITI has received the following final documentation: Trust Indenture, Funding Loan Agreement, Tax Certificate (or comparable document), Multifamily Note(s), the regulatory agreement/land use restriction agreement associated with the Tax-Exempt Loan, TEFRA approval(s), Governmental Lender's resolution(s), proof of volume allocation, , IRS Form 8038, final opinions of tax counsel and Borrower's counsel, any enhancement instrument, and, if applicable, all documentation required from HUD.

34. Fees and Expenses. Borrower shall have paid the Financing Fee (as hereinafter defined) and any other costs and expenses then due and payable pursuant to the provisions of this Commitment.

C. Intentionally Omitted

D. Fees and Expenses. Borrower shall be responsible for the following fees and expenses in connection with the financing:

1. Application Fee. Borrower hereby acknowledges requirement of an application fee (the "Application Fee") as set forth in the Commitment Terms, which amount shall be non- refundable. In the event additional funds are required to complete CITI's review and due diligence, Borrower will be advised of such costs in advance. Any and all additional costs will be billed to Borrower as they are incurred. The Application Fee is applicable toward third party reports,

underwriting and processing (as set forth in the Commitment Terms), and CITI's legal fees.

2. Origination Fee. The Origination Fee as set forth in the Exhibit A shall be due and payable on the Closing Date. The Origination Fee reflects a fee payable to CITI in exchange for providing financing for the Project.

3. Conversion Fee. Not applicable.

4. Fees and Expenses. Sponsor shall pay when due, whether or not the closing occurs, all reasonable and actual expenses, fees and charges with respect to the cost of issuance of the Tax-Exempt Loan (including tax and Governmental Lender counsel fees, Governmental Lender fees, Fiscal Agent fees, Fiscal Agent counsel fees, financial advisor fees, printing and mailing costs and other Tax-Exempt Loan related fees and costs), and the Tax-Exempt Loan processing and closing, or in any way connected therewith, including, without limitation, appraisal fees, survey costs, title insurance costs, architectural fees, engineering fees, inspection fees, mortgage or similar taxes and all attorneys' fees and legal costs of CITI. Without limiting the foregoing, Sponsor specifically agrees to pay all costs relating to document preparation and review of real estate due diligence items by counsel to CITI.

E. **Assignment; Acceptance; Termination.**

1. Acceptance. In order for this Commitment to be binding on CITI, Sponsor must execute a copy of this Commitment and return it, along with the Application Fee to CITI within five (5) business days after the date first set forth above (the "Outside Acceptance Date"), time being of the essence.

2. Expiration. This Commitment must be accepted on or before the Outside Acceptance Date, and the Tax-Exempt Loan must be issued prior to the Outside Closing Date set forth in the Commitment Terms, or this Commitment shall terminate and be of no further force and effect; provided, however that the provisions of this Commitment that explicitly survive termination shall continue in full force and effect. In the event that Sponsor does not obtain an allocation for the full amount of the Tax-Exempt Loan at least thirty (30) days prior to the Outside Closing Date, or the issuance of the Tax-Exempt Loan and the making of the Funding Loan by CITI does not occur by the Outside Closing Date, Sponsor may request an extension of this Commitment (not to exceed ninety (90) days), which extension shall be in Citi's sole discretion. In the event the requested extension is approved by CITI in its sole discretion, in addition to the Financing Fee and other amounts due hereunder, Sponsor shall pay to CITI a commitment extension fee equal to 0.25% (25 basis points) of the Construction Phase Amount on the Closing Date.

3. Termination. CITI may terminate this Commitment at any time if:

a. Any material adverse change (financial or otherwise) shall occur at any time prior to the Closing Date with respect to (i) the Property, the proposed Improvements, and/or the other security for the Tax-Exempt Loan, or (ii) the credit of Borrower and/or Sponsor (and/or any of the principals of Borrower and/or Sponsor) or any Guarantor or any other person or entity connected with the Loan, or (iii) any other source of repayment of the Loan.

b. Any part of the Property shall have been taken in condemnation or other like proceeding, or any such proceeding is pending or threatened as of the Closing Date, or any part of the Property is damaged and not repaired to CITI's satisfaction prior to the Closing Date.

c. If requested, certifications of the non-occurrence of (a) and (b) above, in form acceptable to CITI, are not executed by Borrower on the Closing Date, or if Borrower has not delivered on the Closing Date updated personal financial statements for any Guarantor.

d. After acceptance of this Commitment, the Tax-Exempt Loan is not issued and closed on or prior to the Outside Closing Date (as the same may be extended pursuant to Section E2.).

e. If, in CITI's sole judgment, CITI's underwriting and due diligence indicate the reasonable possibility of a material adverse change in the Property, the proposed Improvements, the Sponsor, the Borrower and/or any Guarantor.

f. If the OFAC representation and warranty in Section F5. is no longer true and correct.

4. Upon termination, Sponsor shall pay to CITI any other reasonable damages CITI may have incurred due to non-delivery of the Tax-Exempt Loan. **Sponsor's or Borrower's obligation to pay all amounts due under this Commitment shall survive the termination or expiration of this Commitment.** If Sponsor or Borrower fails or refuses to comply with the terms of this Commitment, CITI, at its option, shall have the right to enforce any rights and remedies it may have at law or in equity, including, but not limited to, the collection of costs and expenses arising out of such breach, including reasonable attorneys' fees and disbursements.

5. Final Underwriting. By accepting this Commitment, Sponsor expressly acknowledges that the obligation of CITI to provide the Funding Loan is subject to the completion of final loan underwriting by CITI, final CITI loan committee approval, and the satisfaction of any additional or differing conditions including interest rates that may be required by CITI as a result of such committee approval. By accepting this Commitment, Sponsor expressly acknowledges that the obligation of CITI to provide the financing described in this Commitment is subject to the satisfaction of the obligations and terms and conditions required by Citi for new construction and rehabilitation projects.

F. Miscellaneous.

1. Further Assurances. Sponsor hereby expressly acknowledges that CITI intends to incur costs upon acceptance of this Commitment. Upon acceptance of the Commitment, Sponsor shall be strictly obligated to close the transaction contemplated hereby. Sponsor acknowledges that failure to close the transaction will subject CITI to substantial costs and damages. Therefore, Sponsor hereby expressly agrees:

a. To perform all of the requirements, terms and conditions contained herein at the time and in the manner herein and as required by CITI.

b. Refrain from taking any action that would result in CITI's inability to arrange for the making of the Funding Loan.

c. On the request of CITI, to re-execute or ratify any of the Mortgage Documents and/or the Tax-Exempt Loan Documents, or execute any other documents as may be reasonably necessary to effect the delivery of the Tax-Exempt Loan to any investor.

2. Indemnification for Brokerage Commissions. Sponsor acknowledges and agrees that any fees due for tax-exempt loan or related mortgage loan origination services shall be Borrower's sole responsibility. Borrower and Sponsor shall indemnify and hold CITI harmless from and against any and all claims, demands and liability for brokerage commissions, assignment fees, finders' fees or other compensation whatsoever arising from the issuance of this Commitment, the making of

the Tax-Exempt Loan that may be asserted against CITI by any person or entity. **Sponsor's and Borrower's obligation to indemnify CITI hereunder shall survive the termination or expiration of this Commitment.**

3. Authorization. Sponsor and the undersigned Guarantor hereby authorize CITI to obtain and forward any and all credit information, including credit reports and financial statements and all other information of any kind received or reasonably required in connection with this Commitment to any rating agency and to any potential investor.

4. Exclusivity. The terms and provisions of this Commitment are intended for the sole and exclusive benefit of CITI and Borrower, and not for the benefit of, nor for the purpose of being relied upon, by any other party.

5. OFAC Provisions. Sponsor hereby represents and warrants that no portion of the Property has been or will be purchased, improved, equipped or furnished with proceeds of any illegal activity. Sponsor further represents and warrants that to the best of Sponsor's knowledge, after having made diligent inquiry, Sponsor, Borrower, each Person owning a direct or indirect interest in Borrower, each Guarantor, each person owing a direct or indirect interest in each Guarantor, the Property Manager, and each tenant at the Property: (a) is not currently identified on OFAC List, and (b) is not a Person with whom a citizen of the United States is prohibited to engage in transactions by any trade embargo, economic sanction, or other prohibition of United States law, regulation, or Executive Order of the President of the United States. The Sponsor further acknowledges and agrees that it shall have a continuing obligation during the processing of this Commitment to notify CITI promptly if it knows or has reason to believe that the representations and warranties contained herein are no longer correct. Sponsor has implemented procedures, and will consistently apply those procedures throughout the term of the Tax-Exempt Loan, to ensure the foregoing representations and warranties remain true and correct during the term of the Tax-Exempt Loan. For the purposes hereof, "OFAC List" means the list of specially designated nationals and blocked persons subject to financial sanctions that is maintained by the U.S. Treasury Department, Office of Foreign Assets Control and any other similar list maintained by the U.S. Treasury Department, Office of Foreign Assets Control pursuant to any Requirements of Law, including, without limitation, trade embargos, economic sanctions, or other prohibitions imposed by Executive Order of the President of the United States, which OFAC List is accessible through the internet website http://www.treasury.gov/ofac/downloads/t11sdn.pdf, and "Person" means an individual, partnership, limited partnership, corporation, limited liability company, business trust, joint stock company, trust, unincorporated association, joint venture, governmental authority or other entity of whatever nature.

6. Borrower's Representations. The validity of this Commitment and CITI's obligations hereunder shall at all times be subject to the accuracy and validity of all information and representations furnished by Sponsor to CITI with regard to the Tax-Exempt Loan , which shall have been and shall continue to be true and not misleading in all material respects.

7. Loan Data. All inspections, reports, appraisals, environmental studies or other data submitted to, commissioned for, conducted or produced by or for CITI are for its benefit and use and shall be the property of CITI. No right of inspection or approval contained in this Commitment shall be deemed to impose upon CITI any duty or obligation whatsoever to take any action or to notify any person with respect thereto, and no liability shall be imposed upon any such party and no warranty shall be deemed or construed to arise by reason of any inspection undertaken or approval given by any such party, its agents, employees or representatives, any such inspections and approvals being made solely for the benefit of such party. **The provisions of this paragraph shall survive the termination or expiration of this Commitment.**

8. Discretion. In any instance where the consent or approval of CITI may be given or is required, or where any determination, judgment or decision is to be rendered by CITI under this Commitment, the granting, withholding or denial of such consent or approval and the rendering of such determination, judgment or decision shall be made or exercised by CITI (or its designated representative) at its sole and exclusive option and in its sole and absolute discretion.

9. Waiver. CITI reserves the right, in its sole discretion, to waive in whole or part any of the terms, requirements and conditions in this Commitment, the Mortgage Documents, the Bond Documents or other documents referenced herein; provided, however, that such waiver shall in no event be construed to constitute a waiver of the applicable terms, requirements or conditions as they may apply in the future.

10. Successors and Assigns. Sponsor acknowledges and agrees that CITI at its option may assign or otherwise transfer the Bonds and all documents evidencing and securing the Bonds including, but not limited to, this Commitment, to other parties subsequent to the execution of this Commitment. Neither Sponsor nor Borrower may assign its rights, interest, or obligations under this Commitment without first obtaining CITI's prior written consent. This Commitment shall be binding upon the successors and permitted assigns of Borrower.

11. Governing Law. This Commitment shall be governed by and construed in accordance with the laws of the State of New York. Sponsor agrees that any legal action that may arise out of this Commitment will be commenced only in the United States District Court, Southern District of New York, or New York State Courts sitting in New York County, New York, and Sponsor hereby submits to the jurisdiction of any such court. All Mortgage Documents and Bond Documents (other than this Commitment) shall be governed by the laws of the State where the Property is situated. **The governing law election with respect to this Commitment shall survive the termination or expiration of this Commitment.**

12. WAIVER OF TRIAL BY JURY. SPONSOR AGREES NOT TO ELECT A TRIAL BY JURY WITH RESPECT TO ANY ISSUE ARISING OUT OF THIS COMMITMENT OR THE RELATIONSHIP BETWEEN BOND PURCHASER, BONDHOLDER REPRESENTATIVE AND BORROWER OR SPONSOR THAT IS TRIABLE OF RIGHT BY A JURY AND WAIVES ANY RIGHT TO TRIAL BY JURY WITH RESPECT TO SUCH ISSUE TO THE EXTENT THAT ANY SUCH RIGHT EXISTS NOW OR IN THE FUTURE. THIS WAIVER OF RIGHT TO TRIAL BY JURY IS GIVEN BY SPONSOR KNOWINGLY AND VOLUNTARILY WITH THE BENEFIT OF COMPETENT LEGAL COUNSEL AND APPLIES TO ALL ACTIONS WHETHER ARISING IN CONTRACT, TORT, EQUITY OR OTHERWISE. **THIS PROVISION SHALL SURVIVE THE TERMINATION OF EXPIRATION OF THIS COMMITMENT.**

13. Survival. The covenants, terms and conditions set forth in this Commitment shall not survive the Closing Date (unless expressly provided to the contrary). In the event of any conflict between this Commitment and the Mortgage Documents and/or the Bond Documents, the Mortgage Documents and/or the Bond Documents, as applicable, shall prevail.

14. Confidentiality The provisions of this Commitment and all of the terms and conditions contained herein are confidential and Sponsor shall not share this Commitment, or the terms and conditions contained herein, with any third party; provided however, Sponsor may show this Commitment to the Issuer and to Miami-Dade County in connection with its application for issuance of the Bonds. **This confidentiality provision shall survive the termination or expiration of this Commitment.**

15. Anti Tying Policy. CITI maintains a policy of strict compliance to the anti-tying provisions of the U.S. Bank Holding Company Act of 1956, as amended, and the regulations issued

by the Federal Reserve Board implementing the anti-tying rules (collectively, the "Anti-tying Rules"). Moreover, our credit policies provide that credit must be underwritten in a safe and sound manner and be consistent with Section 23B of the Federal Reserve Act and the requirements of federal law. Consistent with these requirements and our Anti-tying Policy:

a. The extension of commercial loans or other products or services to you by CITI or any of its subsidiaries will not be conditioned on your taking other products or services offered by CITI or any of its subsidiaries or affiliates, unless such a condition is permitted under an exception to the Anti-tying Rules.

b. CITI will not vary the price or other terms of any product or service offered by CITI or its subsidiaries on the condition that you purchase another product or service from CITI or any of its affiliates, unless CITI is authorized to do so under an exception to the Anti-tying Rules.

c. CITI will not require you to provide property or services to CITI or any affiliate of CITI as a condition to the extension of a commercial loan to you by CITI or any of its subsidiaries, unless such a requirement is reasonably required to protect the safety and soundness of the loan.

d. CITI will not require you to refrain from doing business with a competitor of CITI or any of its affiliates as a condition to receiving a commercial loan from CITI or any of its subsidiaries, unless the requirement is reasonably designed to ensure the soundness of the Loan.

[No Further Text on this Page]

If you have any questions relating to this Commitment, or if we can be of any further assistance, please do not hesitate to let us know.

Very truly yours,

CITIBANK, N.A., a national banking association

By: _____

Name: Kathy Millhouse

Title: Vice President

The undersigned hereby accepts the foregoing Commitment and agrees to be bound by the terms, requirements and conditions set forth herein.

Date: 2/4/16

**SPONSOR:**

By: _____

Name: Alberto Milo, Jr

Title: Senior V.P.

**EXHIBIT A**

**COMMITMENT TERMS**

# TERM SHEET

## Multifamily Rental Developments with Rent Restrictions
## New Construction

## Tax-Exempt "Back-to-Back" Loan Structure

**Liberty Square Rising Phase 1A**
**Liberty Square Rising Phase 1B**
**Liberty Square Rising Phase 2**
**Liberty Square Rising Phase 4B**
**Liberty Square Rising Phase 4C**
**Liberty Square Rising Phase 4D**

**February 2, 2016**

NOTE: This Term Sheet constitutes a brief summary of certain, but not all transaction terms and conditions. The summary that follows is subject to final credit approval.

**In connection with this Term Sheet, CITI will be acting solely as a principal and not as your agent, advisor or fiduciary. CITI has not assumed a fiduciary responsibility with respect to this Term Sheet, and nothing in this transaction or in any prior relationship between you and CITI will be deemed to create an advisory, fiduciary or agency relationship between us in respect of this Term Sheet. You should consider carefully whether you would like to engage an independent advisor to represent or otherwise advise you in connection with this Term Sheet, if you have not already done so.**

### A. PRELIMINARY LOAN TERMS

**Deal Structure:**

CITI proposes to fund a tax-exempt construction loan ("Funding Loan") to Miami-Dade Housing Finance Authority or other acceptable housing finance agency (the "Governmental Lender"). The Governmental Lender then loans the proceeds of the Funding Loan directly to the Borrower (the "Borrower Loan").

The Construction Phase is the initial phase during which funds will be advanced to Governmental Lender and loaned to Borrower (directly or through a Trustee, at Governmental Lender's discretion). Payments on the Funding Loan during the Construction Phase will be interest only

**Property:**

Liberty Square Rising Phase 1A – 216 units
Liberty Square Rising Phase 1B – 216 units
Liberty Square Rising Phase 2 – 216 units
Liberty Square Rising Phase 4B – 120 units
Liberty Square Rising Phase 4C – 120 units
Liberty Square Rising Phase 4D – 240 units

**Set-Asides:**

Phase 1A: 51% of the units (111 units) will be for tenants with income at or below 60% of AMI. The remaining units (105 units) will be public housing and covered under an annual contribution contract with HUD.

Phase 1B: 17% of the units (36 units) will be for tenants with income at or below 60% of AMI. The remaining units (180 units) will be public housing and covered under an annual contribution contract with HUD.

Phase 2: 17% of the units (36 units) will be for tenants with income at or below 60% of AMI. The remaining units (180 units) will be public housing and covered under an annual contribution contract with HUD.

Phase 4B: 90% of the units (108 units) will be for tenants with income at or below 60% of AMI. 10% of the units (12 units) will be for tenants with income at or below 50% of AMI.

Phase 4C: 20% of the units (24 units) will be for tenants with income at or below 60% of AMI. The remaining units (96 units) will be for tenants with income at or below 120% of AMI.

Phase 4D: 20% of the units (48 units) will be for tenants with income at or below 60% of AMI. The remaining units (192 units) will be for tenants with income at or below 120% of AMI.

**Borrower:** To be determined.

**Sponsor:** Affiliates of RUDG

**LIHTC Investor/ Syndicator:** If applicable, the Low Income Housing Tax Credit ("LIHTC") Investor / Syndicator, the upper tier investor(s) and, the terms and conditions of the partnership (or operating) agreement, must be acceptable to CITI in all respects including, particularly, as to the timing and conditions to funding capital contributions.

**Guarantor(s):** PRH Investments, LLC and/or other individual(s) or corporate entity acceptable to CITI in all respects. The Guarantor(s)' financial condition(s) must be acceptable to CITI in all respects. Guarantor must maintain a minimum net worth requirement of $10 million and minimum liquidity of $2 million.

**Subordinate Debt:** If applicable, the sources of subordinate debt and the subordinate loan documents must be acceptable to CITI in all respects. All subordinate debt must fund prior to Funding Loan funding unless CITI approves other arrangements.

**Loan Security:** First lien, or assignment thereof, on land and any improvements, UCC filings for fixtures; assignment of all leases and rents; and, a first priority collateral assignment of all contracts, management agreements, and other agreements and all permits relating to the Property. All income and rent restrictions will be subordinate to the CITI security instrument.

**Recourse:** The Funding Loan will be fully recourse to the Borrower and to the Guarantor(s).

**Guarantees, Construction Phase:** Completion and Repayment Guarantees are required from the Borrower and the Guarantor(s).

**Environmental Indemnity:** Borrower and Guarantor(s) will be liable for CITI's standard environmental indemnity.

**Closing:** Closing is subject to full satisfaction of CITI's standard due diligence, underwriting and credit approval processes, and the execution and delivery of all required loan documents, delivery of opinions, payment of fees and other customary requirements.

**Closing Date (est.):** To be Determined

## CONSTRUCTION PHASE

**Est. Construction Phase Loan Amount:** An amount, currently estimated to be:

| | |
|---|---|
| Liberty Square Rising Phase 1A: | $22,500,000 |
| Liberty Square Rising Phase 1B: | $21,000,000 |
| Liberty Square Rising Phase 2: | $22,000,000 |
| Liberty Square Rising Phase 4B: | $12,500,000 |
| Liberty Square Rising Phase 4C: | $16,150,000 |
| Liberty Square Rising Phase 4D: | $34,900,000 |

The loan(s) may not exceed 80% of costs covered through the Construction Phase.

**Construction Phase Term:** Twenty-four months, plus two, 6-month extension options. Fees for the extension are indicated below under "Fees & Expenses".

**Construction Phase Interest Rate:** A variable rate equal to SIFMA plus a spread of 2.50% during the Construction Phase for all Phases. Rate adjusts weekly. Currently, SIFMA is trading at approximately 0.01%. This rate does not include Issuer, Trustee, or misc. 3rd party fees (SIFMA is available at http://www.sifma.org/research/item.aspx?id=19762). Pricing is based on current market conditions and is subject to change.

**Availability:** Funding Loan proceeds will be advanced to Borrower on a "draw down" basis upon receipt of a written request from Borrower, supported by documentation acceptable to CITI. Borrower will be required to submit a loan budget worksheet with each draw request tracking all Property sources and uses of funds. Draw requests are limited to one per month.

**Loan in Balance:** The Funding Loan must remain "in balance" during the Construction Phase. "In balance" means that (1) the funds available during the Construction Phase (from the Funding Loan and all other debt and equity sources) are sufficient to complete the construction or rehabilitation of the Property and all other expenses reasonably expected to be necessary to achieve the conditions for equity and sub-debt funding; and (2) the sources available from equity and sub-debt are sufficient to pay off the Construction Phase Loan Amount.

**Amortization:** None. Payments on the Funding Loan during the Construction Phase will be interest only.

**Prepayment and Yield Maintenance:** Voluntary prepayment of Funding Loan principal amounts during the Construction Phase, including those as a result of a Borrower default, may be made without prepayment fee or penalty.

**Interest Reserve:** Calculated at the Construction Phase Interest Rate noted above, plus a cushion acceptable to CITI at time of final Credit approval. Currently, CITI is underwriting with a cushion of 1.00%. The Interest Reserve will be sized based on an analysis of the projected draw schedule for the Funding Loan during the Construction Phase.

**Budget and Contingencies:** The budget for the Construction Phase, including all budget line items, is subject to CITI approval. The budget shall include a hard cost contingency of no less than 5% of budgeted hard costs for new construction projects or, 10% for renovation projects. The budget shall include a soft cost contingency of no less than 5% of budgeted soft costs, excluding 1) soft costs incurred prior to or in connection with closing; 2) interest reserve and bank fees; 3) capitalized operating reserve deposits and other costs that may be due in connection with Construction Phase Loan pay off/stabilization for which specific sources are identified; and 4) developer fees.

**General Contractor and Bonding Requirements:** The general contractor and the form of construction contract must be acceptable to CITI. CITI will require payment and performance bonds equal to 100% of the construction contract amount. Surety issuing bonds must have an A.M. Best rating of "A/XIV" and must be acceptable to CITI in all other respects. In lieu of bonds, CITI will accept a letter of credit ("LC") equal to 10% of the initial construction contract amount. LC provider must be rated "A" or better.

**Retainage:** Construction contract will provide for retainage of 10% of each construction pay application until 50% completion and the reduced to 5% of each construction pay application until substantial completion of construction is achieved unless other arrangements have been approved by CITI. All retained amounts will be released upon final, lien-free completion of construction, as approved by CITI.

**Appraisal, Environmental, Plan & Cost Evaluation Review:** Appraisal and Plan/Cost Review reports will be commissioned and reviewed by CITI. CITI may rely upon environmental reports commissioned by Borrower if report is current (within 12 months) and CITI has been provided evidence of

acceptable E&O insurance coverage carried by Borrower's environmental consultant and a reliance letter in form acceptable to CITI. Appraisal, environmental condition and plan/cost reviews must be acceptable to CITI in all respects.

**Property Tax Abatements, Incentives:** All documentation related to any tax abatement or tax incentives must be acceptable to CITI in all respects.

**Developer Fee:** Any developer fee paid prior to Construction Phase Loan pay down shall be pre-approved by CITI in its sole discretion.

**Availability of ACCs:** If applicable, prior to closing, CITI must receive from HUD an acceptable commitment to provide the ACC required to operate the public housing units at break-even. In addition, CITI must review and approve anticipated capital funding appropriations connected to the ACCs.

**Public Housing:** Since the seller/landlord of the Property is the Miami-Dade Public Housing and Community Development ("MDPHCD") and since the Property will continue to be operated in accordance with public housing guidelines with operating subsidies coming from HUD to MDPHCD and in turn to the Borrower, Borrower will be required to fund reserves as noted below. In addition, the Regulatory & Operating Agreement ("R&O"), Land Use Restriction Agreement, ACC, and other documents relative to the public housing nature of the Property are subject to CITI's full review and approval.

**ACC Reserve, Operating Reserve:** CITI will require an ACC & Operating Reserve totaling the higher of 1) a minimum of six months of operating expenses or 2) the ACC & Operating Reserve required by the LIHTC equity investor. Changes to the amount of ACC units or other factors related to the ACC units may require additions to the ACC reserve.

**FEES**

**Due Diligence Deposit:** $25,000, per phase, which amount shall be non-refundable and payable upon acceptance of a preliminary application. This fee is applicable toward third party reports, loan underwriting and processing (in the minimum amount of $5,000), and CITI's initial legal fees. Applicant is responsible for the payment of all reasonable costs incurred in connection with the underwriting, processing and/or closing of the Funding Loan (including CITI legal fees).

**Origination Fee:** A non-refundable Origination Fee equal to 1.0% of the Construction Phase Loan Amount (the "Origination Fee") shall be earned in full by CITI upon the closing of the Funding Loan, and is due and payable at that time.

**Construction Phase Extension Fee:** An extension fee equal to 0.25% of the Construction Phase Loan Amount is payable prior to the first, six month extension and an extension fee equal to 0.50% of the Construction Phase Loan Amount is payable prior to the second, six month extension.

This Term Sheet is provided for information purposes and is intended for your use only. Except in those jurisdictions where it is impermissible to make such a statement, CITI hereby informs you that this Term Sheet should not be considered as a solicitation or offer to sell or purchase any securities or other financial products. This Term Sheet does not constitute investment advice and does not purport to identify all risks or material considerations which should be considered when undertaking a transaction. CITI makes no recommendation as to the suitability of any of the products or transactions mentioned. Any trading or investment decisions you take are in reliance on your own analysis and judgment and/or that of your advisors and not in reliance on us.

CITI often acts as (i) a market maker; (ii) an issuer of financial instruments and other products; and (iii) trades as principal in many different financial instruments and other products, and can be expected to perform or seek to perform investment banking and other services for the issuer of such financial instruments or other products. The author of this Term Sheet may have discussed the information contained herein with others within or outside CITI and the author and/or such other CITI personnel may have already acted on the basis of this information (including by trading for CITI's proprietary accounts or communicating the information contained herein to other customers of CITI). CITI, CITI's personnel (including those with whom the author may have consulted in the preparation of this Term Sheet), and other customers of CITI may be long or short the financial instruments or other products referred to in this Term Sheet, may have acquired such positions at prices and market conditions that are no longer available, and may have interests different from or adverse to your interests.

CITI is required to obtain, verify and record certain information that identifies each entity that enters into a formal business relationship with CITI. CITI will ask for your complete name, street address, and taxpayer ID number. CITI may also request corporate formation documents, or other forms of identification, to verify information provided.

Although Citibank, N.A. (together with its subsidiaries and branches worldwide, "Citibank") is an affiliate of CITI, you should be aware that none of the financial instruments or other products mentioned in this term sheet (unless expressly stated otherwise) are (i) insured by the Federal Deposit Insurance Corporation or any other governmental authority, or (ii) deposits or other obligations of, or guaranteed by, Citibank or any other insured depository institution.

**IRS Circular 230 Disclosure**: CITI and its employees are not in the business of providing, and do not provide, tax or legal advice to any taxpayer outside of CITI. Any statements in this term sheet regarding tax matters were not intended or written to be used, and cannot be used or relied upon, by any taxpayer for the purpose of avoiding tax penalties. Any such taxpayer should seek advice based on the taxpayer's particular circumstances from an independent tax advisor.

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## EXHIBIT B

**Initial Due Diligence/Underwriting Completed**

1. Review of proposed income and expense statements (budget).
2. Review of estimated sources and uses statement.
3. Inspection of proposed site and sub market.
4. Review of CITI's servicing portfolio to determine comparability of rents and expenses
5. Review of financial information of Sponsor, Borrower and principals of each.

citi

Liberty Square RFP — Preliminary Review

| | | | IA | IB | 2 | 4B | 4C | 4D |
|---|---|---|---|---|---|---|---|---|
| | | Preliminary NOI | 801,000 | 381,754 | 381,754 | 377,408 | 1,125,083 | 2,383,224 |
| | | Amort | 35 | 35 | 35 | 35 | 35 | 35 |
| | | Assumed Rate | 4.74% | 4.74% | 4.74% | 4.74% | 4.74% | 4.74% |
| | | | 1.15 | 1.15 | 1.15 | 1.15 | 1.15 | 1.15 |
| | | Max Perm Loan | $11,888,594 | $5,666,065 | $5,666,065 | $5,601,561 | $16,698,696 | $35,372,264 |
| | | **TOTAL** | | | | | | |
| Request - Perm* | | **78,450,000** | **10,750,000** | **5,650,000** | **5,650,000** | **5,350,000** | **16,150,000** | **34,900,000** |
| Per Unit | | | 49,769 | 26,157 | 26,157 | 44,583 | 134,583 | 145,417 |
| Request - Constr | | **129,050,000** | **22,500,000** | **21,000,000** | **22,000,000** | **12,500,000** | 16,150,000 | **34,900,000** |
| Per Unit | | | 104,167 | 97,222 | 101,852 | 104,167 | 134,583 | 145,417 |
| **Total Units** | **1,128** | | **216** | **216** | **216** | **120** | **120** | **240** |
| PHA | 465 | | 105 | 180 | 180 | | | |
| 50% | 84 | | | | | 12 | 24 | 48 |
| 60% | 291 | | 111 | 36 | 36 | 108 | | |
| 120% | 288 | | | | | | 96 | 192 |

| | | IA | IB | 2 | 4B | 4C | 4D |
|---|---|---|---|---|---|---|---|
| **Sources:** | | | | | | | |
| | Tax Credit Equity | $ 20,202,085 | $ 19,806,955 | $ 19,455,019 | $ 11,007,480 | $ 2,218,912 | $ 3,956,206 |
| | Tax-Exempt Bonds | 10,750,000 | 5,650,000 | 5,650,000 | 5,350,000 | 16,150,000 | 34,900,000 |
| | Sub Debt | 13,900,000 | 19,867,800 | 18,087,816 | 8,121,100 | 5,400,000 | 4,700,000 |
| | Def Dev Fee | 746,456 | 864,304 | 840,411 | 562,661 | 1,828,316 | 1,684,845 |
| | Total | $ 45,598,541 | $ 46,189,059 | $ 44,033,246 | $ 25,041,241 | $ 25,597,228 | $ 45,241,051 |
| **Uses:** | | | | | | | |
| | Ground Lease Pmt | $ 540,000 | $ 540,000 | $ 540,000 | $ 300,000 | $ 300,000 | $ 600,000 |
| | Construction Costs | 26,544,000 | 26,944,000 | 25,544,000 | 14,080,000 | 14,080,000 | 26,160,000 |
| | GC Fees | 3,716,160 | 3,772,160 | 3,576,160 | 1,971,200 | 1,971,200 | 3,662,400 |
| | Hard Cost Contngcy | 1,513,008 | 1,535,808 | 1,456,008 | 802,560 | 802,560 | 1,491,120 |
| | Soft Costs | 6,553,362 | 6,588,158 | 6,436,998 | 4,170,226 | 4,681,303 | 6,695,835 |
| | Developer Fees | 6,732,011 | 6,808,933 | 6,480,080 | 3,717,255 | 3,762,165 | 6,631,697 |
| | Total | $ 45,598,541 | $ 46,189,059 | $ 44,033,246 | $ 25,041,241 | $ 25,597,228 | $ 45,241,051 |

* CITI is only providing construction financing. However, CITI has assumed, for take-out purposes, the parameters noted above for sizing the permanent loans.

BOSTON FINANCIAL
INVESTMENT MANAGEMENT

Boston Financial
Investment Management, LP
*a Limited Partnership*

101 Arch Street
Boston, Massachusetts 02110
T: 617.439.3911
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February 1, 2016

Albert Milo, Jr.
RUDG, LLC
315 South Biscayne Boulevard
Miami, FL 33131

**Re: Liberty Square Rising Phase 2**

Dear Albert,

We appreciate the opportunity to become the investment partner in **Liberty Square Rising Phase 2** (the "Property"). This letter of intent ("LOI") summarizes the proposed investment terms and conditions by which a limited partnership or limited liability company formed by Boston Financial Investment Management, LP ("Boston Financial") would acquire an interest in the Company (as defined below).

As further detailed in Section 2.2 below, BFLP (as defined below) would proceed to make capital contributions to the Company of $19,455,019 or the equivalent of approximately $1.12 per dollar of credit.

## 1. Project Assumptions

We have made the following assumptions in evaluating this investment:

### 1.1 Development Structure

- The Company. A to be formed Special Purpose Entity, an affiliate of RUDG, LLC (the "Company") will be formed to develop, construct, and operate the Property.
- Investor and Special Limited Partners. An entity affiliated with Boston Financial ("BFLP") will purchase a 99.99% limited ownership interest in the Company ("Admission") upon satisfactory completion of the conditions contained in this LOI. A corporation affiliated with Boston Financial will be a special limited member in the Company with certain restricted management rights and a small interest in sale proceeds (the "Special Member").
- Manager. A to be formed Special Purpose Entity, a for-profit entity and an affiliate of RUDG, LLC will serve as the Manager of the Company (the "Manager").
- Developer. A to be formed Special Purpose Entity, an affiliate of RUDG, LLC will serve as the developer of the property (the "Developer").
- Guarantor. The obligations of the Developer and Manager must be guaranteed by an entity (the "Guarantor") acceptable to Boston Financial. The Guarantor must maintain sufficient net worth and liquidity to meet its obligations (but in no event less than $10 million of net worth and $2 million in liquidity). Boston Financial will have the right to accept or reject the

Guarantor in its sole discretion based on a detailed review of the Guarantor's financial statements.

- General Contractor. The general contractor will be Fortune Construction Company, LLP or another entity acceptable to Boston Financial. Construction must be fully bonded or secured by a letter of credit equal to 15% of the construction contract.
- Management Agent. The Property will be managed by TRG Management Company, LLP or another agent acceptable to Boston Financial (the "Management Agent"). The Management Agent (i) will have demonstrated experience managing Section 42 properties and (ii) will receive a competitive management fee, which shall not exceed the maximum amount permitted by HUD. The Management Agent will enter into an agreement to defer and accrue its fee, if necessary, to prevent (i) a default under the mortgage loan documents and (ii) to avoid an operating deficit. Breach of this agreement will be grounds for removal of the Management Agent.

### 1.2 Property Design and Development Schedule

- The Property will be developed as the new construction of 216 units. The unit and income mix will include:

**Property Design:**

| Units | Beds | Inc AMI | Rent AMI | Set-Aside | Subsidy |
|---|---|---|---|---|---|
| 13 | One | 33% | 33% | None | ACC |
| 93 | Two | 33% | 33% | None | ACC |
| 25 | Three | 33% | 33% | None | ACC |
| 28 | Four | 33% | 33% | None | ACC |
| 21 | Five | 33% | 33% | None | ACC |
| 9 | One | 60% | 60% | None | None |
| 18 | Two | 60% | 60% | None | None |
| 9 | Three | 60% | 60% | None | None |

### 1.3 Financing*

| Type | Lender | Amount ($) | Rate (%) | Fixed Rate? | Term | Amort | Hard Payments? |
|---|---|---|---|---|---|---|---|
| Const. | Citibank, N.A. | 22,000,000 | SIFMA + 250 bps | No | 24mths | N/A | Interest Only |
| Perm | Pillar Multifamily, LLC | 5,650,000 | 4.74% | Yes | 35 | 35 | P&I |
| Const/ Perm | Soft Financing | 18,087,816 | TBD | TBD | TBD | TBD | Cash Flow |

### 1.4 Other

- Each building will be depreciated over 27.5 years.
- Any interest income earned by the Company on the capital contributions of BFLP and any other Company reserve or escrow accounts (whether such amount is held by the Company or held by a lender) will be specially allocated to the Manager.

## 2. Tax Credits and Capital Contributions

### 2.1 Tax Credit Assumptions

- Eligible Housing Credit Request Amount: $1,737,229.
- Total Housing Credit Allocation for Investment: $1,737,229 x 99.99% x 10 = $17,370,552.
- Tax Credit Price: $1.12.
- Total Capital Contributions: $19,455,019.

### 2.2 Capital Contributions

Based upon the assumptions that you submitted and subject to the satisfactory completion of Boston Financial's due diligence, BFLP will make capital contributions to the Company in the aggregate amounts and at the times shown below:

| # | Payment Conditions | Amount ($) | % |
|---|---|---|---|
| 1 | Admission | $3,891,004 | 20.0 |
| 2 | 50% Completion | 1,945,502 | 10.0 |
| 2 | Completion | 1,945,502 | 10.0 |
| 3 | Stabilization | 10,700,260 | 55.0 |
| 4 | Receipt of 8609(s) | 972,751 | 5.0 |
| | **TOTAL** | **19,455,019** | **100.0** |
| | **Price Per Credit – Federal LIHTC** | **1.12** | |

NOTE: The total equity paid prior to construction completion is $5,836,506. The admission payment is paid prior to, or simultaneous to the construction closing.

Installments are due only after the prior installment's conditions have been met. Installments may be adjusted based on actual or projected tax credit delivery schedules as prepared by the Company accountants.

### 2.3 Capital Adjusters

The installments of equity shall be subject to standard tax credit timing and steady state adjuster calculations subject to the availability of funds.

### 2.4 Development Fee

The Developer shall earn a development fee in an amount not to exceed the maximum amount allowed pursuant to FHFC, City of Miami and/or Miami Dade County guidelines. We expect some amount ("Deferred Development Fee") will be outstanding after payment of all installments of equity. Payment of any Deferred Development Fee will be subject to available cash flow and may bear interest, if acceptable to Boston Financial, based on its review of tax implications associated with the fee. The Manager shall be obligated to pay any amount of outstanding Deferred Development Fee prior to the end of the thirteenth anniversary of the date the Property is placed in service.

## 3. Manager Obligations

The Manager and Guarantor will have the following obligations.

**3.1 Development Obligation.** The Developer is obligated to (i) deliver a completed, lien-free project (including all final Certificates of Occupancy and an ALTA survey), in accordance with the plans and specifications based upon fixed development costs including funding of development fee and all required reserves and (ii) arrive at Final Closing (as defined below). If the proceeds available are insufficient to pay all Eligible Development Costs, the Developer shall advance to the Company such funds as are required to pay such deficiencies through the latest of the date the Property achieves (i) the first anniversary of Completion, (ii) Final Closing, (iii) Stabilization Date, and (iv) the receipt of final Forms 8609s from the allocating agency for each building in the Property (the "Development Obligation Date" or "DOD"). The Manager will be obligated to guaranty this obligation and any cost overruns, development deficiencies or loan conversion gaps not paid for by the Developer shall be paid by the Manager and will be without reimbursement.

"Final Closing" means the date upon which all of the following events have occurred: (i) the Completion Date, (ii) Permanent Mortgage Commencement, (iii) the Property being free of any mechanics' or other liens (except for the Mortgages and liens either bonded against in such a manner as to preclude the holder thereof from having any recourse to the Property or the Company for payment of any debt secured thereby or affirmatively insured against (in such manner as precludes recourse to the Company for any loss incurred by the insurer) by the Title Policy (or by another policy of title insurance) issued to the Company by an acceptable title insurance company in an amount satisfactory to Investor Tax Counsel (or by an endorsement of either such title policy)), (iv) the completion by the Accountants of a certified audit, approved by the Investor Member, of the Company's and the Builder's construction costs as a part of cost certification, (v) the agreement and acceptance of such cost certification by (a) Boston Financial and (b) by the Lenders and the Governmental Agency to the extent required by the Lenders and the Governmental Agency, (vi) the date of delivery to and acceptance by Boston Financial of an ALTA Survey, (vii) the disbursement of proceeds under the Mortgage Loans has been made in the full amount permitted by such cost certification, (viii) all amounts due in connection with the construction of the Project have been paid or provided for, and (ix) the full funding of any reserves required under the Mortgage Loan Documents and the Company Agreement (except for any reserves to be funded from future installments or other identified sources).

"Stabilization Date" means the first day following the three most recent consecutive calendar months commencing on or after the Completion Date, during each of which, as determined by the Accountants, subject to reasonable review by Boston Financial, the Property has achieved a Debt Service Coverage Ratio of 1.15; provided, however, that if the Stabilization Date occurs prior to Final Closing, the Property will not be deemed to have achieved the Stabilization Date unless and until all other conditions to Final Closing have been satisfied.

"Tax Credit Determination" means the date the Accountants determine the amount of the Tax Credits, and determine that the Project satisfies the requirements of Section 42(h)(4) of the Code.

**3.2 Operating Obligation.** Commencing on the date of Admission, the Manager will be obligated to advance funds needed to cover operating deficits (including full replacement reserve funding acceptable to Boston Financial, and, after the DOD, normal repairs and necessary capital improvements) such that the Company has $1 of surplus cash at all times. The Manager's obligation will be unlimited through the end of the Compliance Period and such advances will not be reimbursed and treated as Special Capital Contributions prior to the DOD and subsequent to the

DOD will be treated as Operating Expense Loans, which will bear no interest and will be repayable solely from future available cash flow or sale proceeds.

Commencing on the DOD, the Managing Member's Operating Obligation and the Guarantor's guaranty of the Managing Member's Operating Obligation shall be limited to $767,000. Subject to the operating reserve being fully funded to its original balance, the Gurantor's guaranty of the Operating Obligation shall terminate upon the later of the (i) the fifth anniversary of the DOD or (ii) the Property achieving a 1.15x DSCR as confirmed by audited financial statements, acceptable to Boston Financial, for the most recent fiscal year. Any operating deficits may be funded by the operating reserve prior to the Guarantor under the terms of its operating obligation guaranty. Funds drawn from the Operating Reserve will be replenished from available Cash Flow and must be fully replenished prior to the termination of the Guarantor's operating obligation.

**3.3 Repurchase Obligation.** The Manager will be obligated to repurchase BFLP's interest in the Company, for a price equal to 106% of the Net Capital Contribution payable to the Company less amounts not yet paid into the Company, plus any interest or penalties from recapture, if (1) Final Closing of the mortgage loan is not achieved by the maturity date of the construction loan (subject to an extension if existing loan commitments are similarly extended), (2) an action is commenced to foreclose, abandon, or permanently enjoin construction of the Property which is not being diligently defended or otherwise adequately addressed by the Company or the Manager, (3) the Property is disqualified from obtaining 30% or more of the tax credits, or (4) other significant issues occur which materially impact BFLP's investment as agreed to in the Company Agreement. For a limited period of time, the Company will have an opportunity to cure any such problems.

**3.4 Compliance Obligation.** The Manager shall take any and all actions required to ensure that the Property will continue to qualify for low-income tax credits.

**3.5 Tax Credit Adjusters.** The Manager shall be obligated to fund adjustments to the capital contributions resulting from a reduction in the credit amount as noted above, if a reduction in capital contributions is not otherwise available.

**3.6 Management Rights.** The consent of Boston Financial will be required to: (a) sell or refinance the Property, (b) withdraw, admit, or substitute the Manager, or (c) sell, assign, encumber, or pledge the general Company interests. In addition, (a) in the event the Manager files for bankruptcy, (b) if the Company or the Manager are in material default under their commitments and obligations, or (c) in certain other circumstances, BFLP after reasonable notice and cure period will have the right to remove the Manager and substitute the Special Limited Partner or another affiliate of Boston Financial as a successor Manager with the powers of Manager.

**3.7 Manager Standard Obligations, Representations, and Warranties.** The Manager will be responsible for all customary Manager obligations and indemnifications and for the accuracy of all customary representations and warranties to the Company and BFLP. We have assumed that there are no existing environmental issues affecting the site or project.

## 4. Allocation and Distributions

The tax credits, depreciation, and operating profits and losses of the Company shall be allocated 99.99% to BFLP and 0.01% to the Manager. With respect to taxable income, we have assumed a 27.5 year depreciation schedule for building improvements, 15 years for land improvements, and 5 years for personal property.

Cash flow from operations after payment of operating expenses and funding of required replacement reserves shall be distributed as follows:

| | |
|---|---|
| First, | to BFLP to pay its annual cumulative Priority Distribution (Asset Management Fee) of $5,000, adjusted annually by the annual percentage increase in CPI; |
| Second, | to BFLP an amount equal to any unpaid tax credit shortfall payments; |
| Third, | to the Manager as payment of the Deferred Development Fee; |
| Fourth, | to the Manager to repay any Operating Expense Loans; |
| Fifth, | 10% to BFLP; and |
| Sixth, | 90% to the Manager, first as payment of a non-cumulative Incentive Management Fee up to 12% of EGI less amounts paid to the Management Agent, then as a distribution. |

Boston Financial's Investor Limited Partner ("ILP") and Special Limited Partner ("SLP") will grant to the Manager an option (the "Option") to purchase all of the interest (but not less than all) of the ILP and SLP at any time following the close of the Compliance Period. The purchase price for the Interest of the ILP and SLP shall be equal to an appraised fair market value, as calculated at the time the Option is exercised by the Manager. The ILP and the SLP shall have the right to require the Company to purchase all of the interest (but not less than all) of the ILP and the SLP for $1,000 and $100, respectively, respectively, following the close of the 10-year credit period.

If the Option is not exercised, the net proceeds of a sale or refinancing shall be distributed as follows:

| | |
|---|---|
| First, | to discharge the debts and obligations of the Company; |
| Second, | to fund reserves for contingent liabilities to the extent deemed necessary by the Manager; |
| Third, | to BFLP an amount equal to any unpaid tax credit shortfall payments; |
| Fourth, | to the Manager to repay any Operating Expense Loans; |
| Seventh, | to the repayment of any outstanding Deferred Development Fee; |
| Eighth, | $10,000 to the Special Limited Partner; and |
| Ninth, | 10% to BFLP and 90% to the Manager. |

## 5. Reporting

The Company shall furnish Boston Financial with quarterly unaudited financial statements. Annual audited financial statements and tax returns shall be prepared by an independent firm of certified public accountants, approved by Boston Financial, familiar with reporting requirements applicable to LIHTC properties. Annual tax returns shall be provided by February 15th, and annual audited financial statements by March 1st.

## 6. Due Diligence and Closing Process

Boston Financial has completed premilinary underwriting which is attached as Exhibit A to this letter. Upon receipt of an executed copy of this letter, the parties will agree upon a mutually acceptable due diligence period and closing schedule.

Boston Financial's decision to invest in the Company, the final terms of such investment and the admission of BFLP to the Company are subject to the satisfactory completion of Boston Financial's due diligence process, including without limitation, review and approval of the following due diligence items:

a) Engineering. All related due diligence, including all plans and specifications, the construction budget, and related construction documents. If property is to be rehabilitated this includes a Capital Needs Assessment, Replacement Reserve Analysis, and unit by unit inspection paid for by the Company, which will evaluate the construction scope of work, the construction documents and budget.

b) Environmental. Phase I Environmental Report (ASTM 1527-13 Standards), the Phase II Environmental Report (if applicable), and completion of any work recommended therein. Boston Financial requires that all third-party reports provide reliance letters which are not limited in time or amount.

c) Market Study. Boston Financial's Market Study which will evaluate the Property's suitability and marketability as a LIHTC property, including review of rents and expenses.

d) Financial and Capacity Review. A satisfactory review by Boston Financial's Chief Credit Officer of 1) the audited financial statements of the Manager, Company, Developer, Guarantor, Contractor, and affiliates, and 2) the Statement of Real Estate Owned by the Manager, Developer, Guarantor, and affiliates.

e) Background and Credit Review. Backgrounds and credit worthiness of the Manager, Developer, Guarantor, Property Management Agent, and Contractor.

f) Insurance. Receipt of a satisfactory insurance policy insuring against fire and other casualty in an amount equal to the full replacement cost of the Property. A combined single limit property damage and commercial general liability insurance policy in the amount of not less than $1 million per occurrence/$2 million aggregate with an umbrella policy of no less than $3 million. The primary limits must be on a "per location" basis and the Investor Limited Partner, Special Limited Partner, and Company are to be Additional Insured by Endorsement.

g) Receipt of satisfactory commitments and form loan documents for construction and permanent financing.

h) Site inspection by Boston Financial.

i) ALTA Owner's Policy of Title Insurance.

j) Acceptable Company and tax opinions.

k) Satisfactory negotiation and execution of all legal documentation required to consummate the transactions contemplated by this LOI.

l) Approval of the terms of the investment by Boston Financial's Capital Committee in its sole and absolute discretion and satisfaction of such other conditions as it may require.

m) Accountants. The Company's accountants shall be either Novogradac & Co., LLP or the Reznick Group. Any other accountant will require consent by Boston Financial in its sole and absolute discretion.

## 7. Costs, Expenses, and Legal Counsel

In addition to any expenses that are the responsibility of the Manager it shall pay Boston Financial a due diligence fee in the amount of $50,000 (the "Due Diligence Fee"). The Due Diligence Fee shall be payable upon Admission of BFLP. If this LOI is terminated by Boston Financial then any unspent Due Diligence Fee shall be reimbursed to the Manager within 30 days of such termination.

## 8. Confidentiality and Exclusivity

The Manager, affiliates, and agents shall not disclose the terms of this LOI to any other potential investor and/or limited member. The Manager acknowledges that Boston Financial will incur certain costs and expenses in connection with its due diligence review. Upon execution hereof, unless this LOI is otherwise terminated, the Manager, its affiliates and agents, agree that it will not continue to market the Property to any prospective investors nor will it accept any competing offers made by any prospective investors to invest in the Property.

## 9. Governing Law

This agreement shall be construed and interpreted in accordance with the laws of The Commonwealth of Massachusetts, except for any rule of such laws which would make the law of another jurisdiction applicable.

## 10. Acceptance and Term

If the Manager accepts and approves the terms, please have the authorized party so indicate by signing below. By executing this agreement, the Manager is confirming to Boston Financial that the Company and its affiliates and agents will undertake the transaction set forth herein with Boston Financial, will use their best efforts to meet the conditions set forth herein, and will suspend discussions with other parties with respect to their acquisition of this investment. This agreement may only be terminated if the conditions set forth herein are not met and such termination will be effective upon the provision of written notice by Boston Financial. The above are the general terms and conditions of the proposed transaction which are offered on a best efforts basis which is conditioned upon our ability to secure an investor

We look forward to working with you.

Sincerely,

Greg Voyentzie
Executive Vice President

AGREED & ACCEPTED:

By: Alberto Milo, Jr

Date: 2/4/16

# Boston Financial - BFIM Liberty Square Rising Phase 2, LLC
# TAX CREDIT INVESTMENT MODEL

## DEVELOPER REPORT

## Liberty Square Rising Phase 2, Miami, FL

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Version 3.5.2

# EXH. 2 - SOURCES AND USES OF FUNDS AT FINAL CLOSING

| SOURCES OF FUNDS | | % of Total | Per Unit | DEBT | | % of Total | Per Unit |
|---|---|---|---|---|---|---|---|
| BFIM Liberty Square Rising Phase 2, I.LC Capital Contribution | 19,455,019 | 44% | 90,070 | Lender 1 | 5,650,000 | 13% | 26,157 |
| Accrued Interest from Interim Loan | 0 | 0% | 0 | Lender 2 | 0 | 0% | 0 |
| Total Mortgages | 23,737,816 | 54% | 109,897 | Lender 3 | 0 | 0% | 0 |
| Related Group Florida Capital Contribution | 0 | 0% | 0 | Lender 4 | 18,087,816 | 41% | 83,740 |
| Cash Flow through Completion | 0 | 0% | 0 | Lender 5 | 0 | 0% | 0 |
| Interest Income from Bond and Equity Proceeds | 0 | 0% | 0 | Lender 6 | 0 | 0% | 0 |
| Outside State Credit Investor | 0 | 0% | 0 | DDF | 0 | 0% | 0 |
| Other Sources | | 0% | 0 | Lender 8 | 0 | 0% | 0 |
| Acquired Reserves | 0 | 0% | 0 | Lender 9 | 0 | 0% | 0 |
| Deferred Development Fee | 840,411 | 2% | 3,891 | Lender 10 | 0 | 0% | 0 |
| TOTAL SOURCES OF FUNDS | 44,033,246 | 100% | 203,858 | Total Debt | 23,737,816 | 54% | 109,897 |

| USES OF FUNDS | | | | Tax Treatment of Expenditures: Eligible Depreciable Basis | Acquisition Cost | Other Depreciable Items | Amortizable & Expensed Items | Other Items |
|---|---|---|---|---|---|---|---|---|
| Construction Costs | | | | | | | | |
| Hard Costs: | Construction Costs (excluding LI, PP) | | 24,758,880 | 24,758,880 | 0 | 0 | | 0 |
| | Land Improvements | | 648,000 | 648,000 | 0 | 0 | | 0 |
| | Personal Property | | 648,000 | 648,000 | 0 | 0 | | 0 |
| | Builder's Profit and Overhead | | 3,065,280 | 3,065,280 | 0 | 0 | | 0 |
| | Builder's Bond Premium | | 182,161 | 182,161 | 0 | 0 | | 0 |
| Soft Costs: | Architect and Engineering Fees | | 673,000 | 673,000 | 0 | 0 | | 0 |
| | Building Permits | | 255,440 | 255,440 | 0 | 0 | | 0 |
| | Survey | | 10,000 | 10,000 | 0 | 0 | | |
| | Other Eligible Fees | | 40,000 | 40,000 | 0 | 0 | | |
| Financing: | Construction Loan Interest | | 500,000 | 500,000 | 0 | | 0 | |
| | Gap Loan Interest | | 0 | 0 | 0 | | 0 | |
| | Construction Loan Expenses | | 31,500 | 31,500 | 0 | | 0 | |
| | Construction Loan Financing Fee | | 320,480 | 320,480 | 0 | | 0 | |
| Other: | Construction Insurance | | 277,479 | 277,479 | 0 | | 0 | |
| | Real Estate Taxes | | 0 | 0 | 0 | | 0 | |
| | Tax Credit Agency Fees | | 304,941 | 0 | 0 | | 304,941 | |
| | Contingency | | 1,456,008 | 1,456,008 | 0 | 0 | | 0 |
| | Other Eligible Development Costs | | 916,000 | 916,000 | 0 | 0 | | |
| | Other Ineligible Development Costs | | 144,074 | 0 | 0 | | | 144,074 |
| Permanent Financing | | | | | | | | |
| | Permanent Loan Expenses | | 0 | 0 | 0 | | 0 | |
| | Permanent Loan Financing Fee | | 0 | 0 | 0 | | 0 | |
| | Bond Costs | | 141,500 | 0 | 0 | | 141,500 | |
| Organizational Costs | | | | | | | | |
| | Legal and Accounting Costs | | 410,000 | 320,000 | 0 | | 90,000 | 0 |
| | Title and Recording Costs | | 191,580 | 143,685 | 0 | | 47,895 | 0 |
| Acquisition Costs | | | | | | | | |
| | Structures | | 0 | 0 | 0 | 0 | | 0 |
| | Land (w/ associated Title & Recording) | | 570,000 | 0 | 0 | | | 570,000 |
| Other Costs | | | | | | | | |
| | Acquired Reserves | | 0 | 0 | 0 | 0 | 0 | 0 |
| | Tenant Relocation | | 450,000 | 450,000 | 0 | 0 | 0 | 0 |
| | Initial Rent-Up and Marketing Costs | | 50,000 | 0 | 0 | | 50,000 | |
| | Utility Connection Fees | | 259,200 | 259,200 | 0 | | 0 | 0 |
| | Accrued Interest from Interim Loan | | 0 | 0 | 0 | | 0 | |
| | Soft Cost Contingency | | 209,398 | 195,048 | 0 | | 14,350 | |
| | Other 3 | | 0 | 0 | 0 | | 0 | |
| | BFIM Due Diligence Fee | | 50,000 | 0 | 0 | | 0 | 50,000 |
| Reserves | | | | | | | | |
| | Initial Rep Res Bal | | 64,800 | 0 | 0 | | | 64,800 |
| | Debt Service Res | 08/01/19 | 0 | 0 | 0 | | | 0 |
| | Rent-Up Reserve | | 100,000 | 0 | 0 | | | 100,000 |
| | Operating Reserve | | 383,499 | 0 | 0 | | | 383,499 |
| | Operating Subsidy Reserve | | 441,947 | 0 | 0 | | | 441,947 |
| Subtotal Uses of Funds | | | 37,553,166 | 35,150,161 | 0 | 0 | 648,686 | 1,754,319 |
| | Development Fee | 17.26% of Costs | 6,480,080 | 6,480,080 | 0 | | | |
| | Other Payments | 0.00% of Costs | 0 | | | | | 0 |
| TOTAL USES OF FUNDS | | | 44,033,246 | 41,630,241 | 0 | 0 | 648,686 | 1,754,319 |

Total Fees paid in cash to Related Group Florida from development proceeds: 5,639,669 *[87.03%]*

# EXH. 3 - GAP ANALYSIS

| Construction Completion and Final Closing GAP Analysis | | 12/1/18 | 1/1/19 | 8/1/19 |
|---|---|---|---|---|
| | | Construction | Completion | Final Closing |
| Construction Loan | | 22,000,000 | 22,000,000 | 0 |
| Cash Flow and Interest Income through Completion | | 0 | 0 | 0 |
| First Permanent Loan | | 0 | 0 | 5,650,000 |
| Additional Permanent Loan(s) | | 18,087,816 | 18,087,816 | 18,087,816 |
| BFIM LLC Equity | Admission | 3,891,004 | 3,891,004 | 3,891,004 |
| | During Construction | 1,945,502 | 1,945,502 | 1,945,502 |
| | Completion Date | 0 | 1,945,502 | 1,945,502 |
| | Final Closing | 0 | 0 | 10,700,260 |
| GP & Outside Investor Equity | | 0 | 0 | 0 |
| Total | | 45,924,322 | 47,869,824 | 42,220,084 |
| Construction costs | | 37,553,166 | 37,553,166 | 37,553,166 |
| Less: | Accrued Interest from Interim Loan | 0 | 0 | 0 |
| | Initial Rent-Up and Marketing Costs | (50,000) | (50,000) | 0 |
| | Reserves | (990,245) | (825,445) | 0 |
| | Deferrals | 0 | 0 | |
| Total construction costs | | 36,512,921 | 36,677,721 | 37,553,166 |
| Development Fee/(Shortfall) | | 9,411,401 | 11,192,103 | 4,666,918 |
| BFIM LLC Equity | Later Installments | | | 972,751 |
| GP & Outside Investor Equity | | | | 0 |
| Total Development Fee/(Shortfall) | | | | 5,639,669 |
| Potential Shortfall in Permanent Loan Amount | | | | 0 |
| Total Development Fee/(Shortfall) | | | | 5,639,669 |

| Deal Liquidity | Admission | Completion | Final Closing |
|---|---|---|---|
| Cash Development Fee | 5,639,669 | 5,639,669 | 5,639,669 |
| Less Development Fee paid to Date | 0 | 0 | 0 |
| Plus Operating Reserves | 825,445 | 825,445 | 825,445 |
| Plus Contingency | 1,456,008 | 1,456,008 | 1,456,008 |
| Subtotal: Net Cash Available | 7,921,122 | 7,921,122 | 7,921,122 |
| Total Development Costs | 44,033,246 | 44,033,246 | 44,033,246 |
| Less Acquisition Costs | (540,000) | (540,000) | (540,000) |
| Less Organizational Costs | (631,580) | (631,580) | (631,580) |
| Less Construction Loan Fees and Expenses | (351,980) | (351,980) | (351,980) |
| Less Permanent Financing Costs | (141,500) | (141,500) | (141,500) |
| Less Soft Costs | (970,940) | (970,940) | (970,940) |
| Less Deferred Development Fee | (840,411) | (840,411) | (840,411) |
| Less Net Cash Available | (7,921,122) | (7,921,122) | (7,921,122) |
| Subtotal: Net Total Costs | 32,635,713 | 32,635,713 | 32,635,713 |
| Deal Liquidity | 24.27% | 24.27% | 24.27% |

50% TEST

Total Deal Liquidity $ 8,085,922
Total Deal Liquidity % 22.49%

| | |
|---|---|
| 50% Test | 52.17% |
| Eligible Basis | 41,630,241 |
| Other Deprec. | 0 |
| Land | 540,000 |
| Subtotal | 42,170,241 |
| T/E bond | 22,000,000 |

| Permanent Loan Funding Analysis | | |
|---|---|---|
| First/Second Mortgage Amount | 5,650,000 | 0 |
| Funding Requirements: | | |
| Rate | 4.74% | 1.00% |
| Amortization | 35 | 40 |
| Debt Service Constant | 5.86% | 3.03% |
| Estimated Proforma NOI | 479,343 | 479,343 |
| Debt service Coverage Ratio | 120% | 1.20 |
| Maximum NOI available for Loan | 399,452 | 68,434 |
| Maximum Calculated Permanent Loan | 6,818,000 | 0 |
| Decrease in Permanent Loan Amount | | 0 |

CAPITAL PAYMENTS TO Liberty Square Rising Phase 2, LP

| % Total | Release Contingency | Amount | Estimated Release Date | Cumulative Percentage |
|---|---|---|---|---|
| 20.0% | Admission | $3,891,004 | 01-Aug-16 | 20.0% |
| 10.0% | 50% Completion and Date Certain | 1,945,502 | 01-Apr-18 | 30.0% |
| 10.0% | 100% Completion and Date Certain | 1,945,502 | 01-Jan-19 | 40.0% |
| 55.0% | Final Closing, Stabilization and Date Certai | 10,700,260 | 01-Aug-19 | 95.0% |
| 5.0% | 8609s and Date Certain | 972,751 | 01-Sep-19 | 100.0% |
| 0.0% | | 0 | 01-Sep-19 | 100.0% |
| 0.0% | | 0 | 01-Dec-19 | 100.0% |
| 0.0% | | 0 | 01-Mar-20 | 100.0% |
| 0.0% | | 0 | 02-Mar-20 | 100.0% |
| 0.0% | | 0 | 02-Mar-20 | 100.0% |
| 0.0% | | 0 | 02-Mar-20 | 100.0% |
| 0.0% | | 0 | 02-Mar-20 | 100.0% |
| 0.0% | | 0 | 02-Mar-20 | 100.0% |
| 0.0% | | 0 | 02-Mar-20 | 100.0% |
| 0.0% | | 0 | 02-Mar-20 | 100.0% |
| 0.0% | | 0 | 02-Mar-20 | 100.0% |
| 0.0% | | 0 | 02-Mar-20 | 100.0% |
| 100.0% | Total Capital Payments | $19,455,019 | | |

PILLAR MULTIFAMILY
AN AFFILIATE OF GUGGENHEIM PARTNERS
330 Madison Avenue
NEW YORK, NEW YORK 10017
PILLARFINANCE.COM

February 4, 2016

Mr. Tony Del Pozzo
Mr. Albert Milo
RUDG, LLC
315 S. Biscayne Blvd. – 4th Floor
Miami, FL 33131

Re: Liberty Square Rising (the "Property"), 1,488 units
Miami, FL

Gentlemen:

Based on our review and analysis of the information you have supplied, we are pleased to provide the following permanent financing commitment for your proposed Liberty Square Rising development located in Miami-Dade County, Florida.

| | |
|---|---|
| Borrower/Applicant: | Affiliate of RUDG, LLC or such other entity acceptable to Lender. |
| Manager: | Affiliate of RUDG, LLC or such other entity acceptable to Lender. |
| Developer: | Affiliate of RUDG, LLC or such other entity acceptable to Lender. |
| Guarantor: | PRH Investments LLC or such other entity acceptable to Lender. |
| Loan / Purpose: | Permanent financing to each phase of the Project in the below amounts, subject to final underwriting: |

| Phase | Permanent Loan Amount |
|---|---|
| Liberty Square - Phase 1A Lincoln Gardens | $10,750,000 |
| Liberty Square - Phase 1B | $5,650,000 |
| Liberty Square - Phase 2 | $5,650,000 |
| Liberty Square - Phase 3A | $5,750,000 |
| Liberty Square - Phase 3B | $4,000,000 |
| Liberty Square - Phase 4B | $5,350,000 |
| Liberty Square - Phase 4C | $16,150,000 |
| Liberty Square - Phase 4D | $34,900,000 |
| | $88,200,000 |

| | |
|---|---|
| Term: | 17 Years (2 year unfunded forward commitment followed by 15 year term) |
| Interest Rate: | The interest rate on the Loan (the "Interest Rate") is estimated to be 4.74%. which rate assumes that the yield on the 10-Year Treasury at the time of rate lock is 2.00%. The Interest Rate is an estimate and |

| | |
|---|---|
| | components of the Interest Rate adjust daily and are subject to overall fluctuations in the capital markets. |
| Commitment Fee: | 1.0% of the loan amount |
| Collateral: | First mortgage; other typical pledges and assignments. |
| Guarantee: | Non-recourse to the Borrower and Guarantors, with standard carve-outs (the carve outs include, without limitation, delivery assurance, guarantees against fraud, misrepresentation, environmental and waste). |
| Loan to Value: | 90% |
| Minimum DSCR: | 1.15x based on the actual Interest Rate determined at Rate Lock. |
| Amortization Period: | 35 Years |
| Subordinate Financing: | Subordinate Financing will be permitted subject to Pillar's approval. |
| Additional: | Any real estate tax PILOT or exemption is subject to full and final due diligence and must be structured in accordance with all Pillar and applicable Agency guidelines. |
| Lending Program: | Freddie Mac or Fannie Mae |

This commitment is contingent upon credit approval and completion of the underwriting and due diligence process, including without limitation receipt of appraisals, environmental reports, Lender engineer's reports and all final budgets and operating pro forma, all satisfactory to Lender in its sole and absolute discretion. We reserve the right to modify and/or add to any terms described in this letter following receipt and review of due diligence materials. The foregoing is intended to summarize the structure and basic terms and conditions (subject to modification upon completion of due diligence by Lender) upon which Lender may provide the financing described herein and is not an inclusive statement of all provisions, documents or requirements of a closing. This commitment shall be null and void and of no further effect if not executed and returned on or before February 22, 2016.

Sincerely,
PILLAR MULTIFAMILY, LLC

By: _____
Paul Sherrington
Authorized Signatory

By the execution below, the undersigned Applicant acknowledges and agrees to the foregoing terms and conditions of this Application.

Agreed To and Accepted:

By: _____

Date: 2/4/16

Pillar

**Liberty Square - Phase 1A**

**Preliminary Loan Sizing**

| | |
|---|---|
| # Units | 216 |
| Loan Amount | $ 10,750,000 |
| | |
| 10-yr Treasury Rate (assumed at closing) | 2.00% |
| Spread (assumed at closing) | 2.74% |
| Total Rate (assumed at closing) | 4.74% |

| INCOME | Loan Sizing | | |
|---|---|---|---|
| | Amount | % | $/Unit |
| Gross Potential Rent | $2,144,993 | 100.0% | $9,931 |
| Vacancy | -$93,240 | -7.2% | ($432) |
| Bad Debt/Collection Loss | $0 | 0.0% | $0 |
| Concessions | $0 | 0.0% | $0 |
| Baseline Adjustment (PHA Asset Mgmt fee) | -$30,629 | -1.5% | ($142) |
| Net Rental Income | $2,021,124 | 100.0% | $9,357 |
| | | | |
| Commercial Income | $0 | 0.0% | $0 |
| Commercial Vacancy | $0 | 0.0% | $0 |
| Net Commercial Income | $0 | 0.0% | $0 |
| | | | |
| Laundry/Vending | $0 | 0.0% | $0 |
| Parking | $0 | 0.0% | $0 |
| Other Income | $21,600 | 1.1% | $100 |
| Effective Gross Income | $2,042,724 | 101.1% | $9,457 |
| | | | |
| Real Estate Taxes | $144,145 | 7.1% | $667 |
| Property Insurance | $129,600 | 6.4% | $600 |
| Utilities | $129,600 | 6.4% | $600 |
| Repairs and Maintenance | $216,000 | 10.7% | $1,000 |
| Management Fee | $122,583 | 6.0% | $567 |
| Payroll and Benefits | $259,200 | 12.8% | $1,200 |
| Marketing | $21,600 | 1.1% | $100 |
| Professional Fees | $21,600 | 1.1% | $100 |
| General and Administrative | $32,400 | 1.6% | $150 |
| Other Expenses | $100,000 | 4.9% | $463 |
| Ground Rent | $0 | 0.0% | $0 |
| Total Expenses | $1,176,708 | 58.2% | $5,448 |
| | | | |
| Net Operating Income | $866,016 | 42.8% | $4,009 |
| | | | |
| Capital Reserve | $64,800 | 3.2% | $300 |
| Extraordinary Capital Items | $0 | 0.0% | $0 |
| Total Capital Expenses | $64,800 | 3.2% | $300 |
| | | | |
| Total Expenses Incl Cap'l Expenses | $1,241,508 | 60.8% | $5,748 |
| | | | |
| Net Cash Flow (NOI w/Cap'l Expenses) | $801,216 | 39.2% | $3,709 |

| | |
|---|---|
| First Mortgage Debt Service | 629,814 |
| First Mortgage DSCR | 1.27 |
| CFFP DS | 64,000 |
| Total DSCR | 1.15 |

Pillar

**Liberty Square - Phase 1B**

**Preliminary Loan Sizing**

| | | |
|---|---|---|
| # Units | | 216 |
| Loan Amount | $ | 5,650,000 |
| | | |
| 10-yr Treasury Rate (assumed at closing) | | 2.00% |
| Spread (assumed at closing) | | 2.74% |
| Total Rate (assumed at closing) | | 4.74% |

| INCOME | Loan Sizing | | |
|---|---|---|---|
| | Amount | % | $/Unit |
| Gross Potential Rent | $1,653,113 | 100.0% | $7,653 |
| Vacancy | -$37,474 | 2.3% | ($173) |
| Bad Debt/Collection Loss | $0 | 0.0% | $0 |
| Concessions | $0 | 0.0% | $0 |
| Baseline Adjustment (PHA Asset Mgmt Fee) | -$52,507 | -3.4% | ($243) |
| Net Rental Income | $1,563,132 | 100.0% | $7,237 |
| | | | |
| Commercial Income | $0 | 0.0% | $0 |
| Commercial Vacancy | $0 | 0.0% | $0 |
| Net Commercial Income | $0 | 0.0% | $0 |
| | | | |
| Laundry/Vending | $0 | 0.0% | $0 |
| Parking | $0 | 0.0% | $0 |
| Other Income | $21,600 | 1.4% | $100 |
| Effective Gross Income | $1,584,732 | 101.4% | $7,337 |
| | | | |
| Real Estate Taxes | $89,894 | 5.8% | $416 |
| Property Insurance | $129,600 | 8.3% | $600 |
| Utilities | $129,600 | 8.3% | $600 |
| Repairs and Maintenance | $216,000 | 13.8% | $1,000 |
| Management Fee | $95,084 | 6.0% | $440 |
| Payroll and Benefits | $302,400 | 19.3% | $1,400 |
| Marketing | $21,600 | 1.4% | $100 |
| Professional Fees | $21,600 | 1.4% | $100 |
| General and Administrative | $32,400 | 2.1% | $150 |
| Other Expenses (Resident Services) | $100,000 | 6.4% | $463 |
| Ground Rent | $0 | 0.0% | $0 |
| Total Expenses | $1,138,178 | 72.8% | $5,269 |
| | | | |
| Net Operating Income | $446,554 | 28.6% | $2,067 |
| | | | |
| Capital Reserve | $64,800 | 4.1% | $300 |
| Extraordinary Capital Items | $0 | 0.0% | $0 |
| Total Capital Expenses | $64,800 | 4.1% | $300 |
| | | | |
| Total Expenses Incl Cap'l Expenses | $1,202,978 | 76.9% | $5,569 |
| | | | |
| Net Cash Flow (NOI w/Cap'l Expenses) | $381,754 | 24.1% | $1,767 |
| | | | |
| Debt Service | 331,019 | | |
| Actual Debt Service Coverage | 1.15 | | |

Pillar

**Liberty Square - Phase 2**

**Preliminary Loan Sizing**

| | | |
|---|---|---|
| # Units | | 216 |
| Loan Amount | $ | 5,650,000 |
| | | |
| 10-yr Treasury Rate (assumed at closing) | | 2.00% |
| Spread (assumed at closing) | | 2.74% |
| Total Rate (assumed at closing) | | 4.74% |

| INCOME | Loan Sizing | | |
|---|---|---|---|
| | Amount | % | $/Unit |
| Gross Potential Rent | $1,853,113 | 100.0% | $7,653 |
| Vacancy | -$37,474 | 2.3% | ($173) |
| Bad Debt/Collection Loss | $0 | 0.0% | $0 |
| Concessions | $0 | 0.0% | $0 |
| Baseline Adjustment (PHA Asset Mgmt Fee) | -$52,507 | -3.4% | ($243) |
| Net Rental Income | $1,563,132 | 100.0% | $7,237 |
| | | | |
| Commercial Income | $0 | 0.0% | $0 |
| Commercial Vacancy | $0 | 0.0% | $0 |
| Net Commercial Income | $0 | 0.0% | $0 |
| | | | |
| Laundry/Vending | $0 | 0.0% | $0 |
| Parking | $0 | 0.0% | $0 |
| Other Income | $21,600 | 1.4% | $100 |
| Effective Gross Income | $1,584,732 | 101.4% | $7,337 |
| | | | |
| Real Estate Taxes | $89,884 | 5.8% | $416 |
| Property Insurance | $129,600 | 8.3% | $600 |
| Utilities | $129,600 | 8.3% | $600 |
| Repairs and Maintenance | $216,000 | 13.8% | $1,000 |
| Management Fee | $95,084 | 6.0% | $440 |
| Payroll and Benefits | $302,400 | 19.3% | $1,400 |
| Marketing | $21,600 | 1.4% | $100 |
| Professional Fees | $21,600 | 1.4% | $100 |
| General and Administrative | $32,400 | 2.1% | $150 |
| Other Expenses (Resident Services) | $100,000 | 6.4% | $463 |
| Ground Rent | $0 | 0.0% | $0 |
| Total Expenses | $1,138,178 | 72.8% | $5,269 |
| | | | |
| Net Operating Income | $446,554 | 28.6% | $2,067 |
| | | | |
| Capital Reserve | $64,800 | 4.1% | $300 |
| Extraordinary Capital Items | $0 | 0.0% | $0 |
| Total Capital Expenses | $64,800 | 4.1% | $300 |
| | | | |
| Total Expenses Incl Cap'l Expenses | $1,202,978 | 75.9% | $5,569 |
| | | | |
| Net Cash Flow (NOI w/Cap'l Expenses) | $381,754 | 24.1% | $1,767 |
| | | | |
| Debt Service | 331,019 | | |
| Actual Debt Service Coverage | 1.15 | | |

Pillar

**Liberty Square - Phase 3A**

**Preliminary Loan Sizing**

| | | |
|---|---|---|
| # Units | | 216 |
| Loan Amount | $ | 5,750,000 |
| | | |
| 10-yr Treasury Rate (assumed at closing) | | 2.00% |
| Spread (assumed at closing) | | 2.74% |
| Total Rate (assumed at closing) | | 4.74% |

| INCOME | Loan Sizing | | |
|---|---|---|---|
| | Amount | % | $/Unit |
| Gross Potential Rent | $1,685,121 | 100.0% | $7,709 |
| Vacancy | -$39,595 | 2.4% | ($183) |
| Bad Debt/Collection Loss | $0 | 0.0% | $0 |
| Concessions | $0 | 0.0% | $0 |
| Baseline Adjustment (PHA Asset Mgmt Fee) | -$51,341 | -3.3% | ($238) |
| Net Rental Income | $1,574,185 | 100.0% | $7,286 |
| | | | |
| Commercial Income | $0 | 0.0% | $0 |
| Commercial Vacancy | $0 | 0.0% | $0 |
| Net Commercial Income | $0 | 0.0% | $0 |
| | | | |
| Laundry/Vending | $0 | 0.0% | $0 |
| Parking | $0 | 0.0% | $0 |
| Other Income | $21,600 | 1.4% | $100 |
| Effective Gross Income | $1,595,785 | 101.4% | $7,388 |
| | | | |
| Real Estate Taxes | $91,874 | 5.8% | $425 |
| Property Insurance | $129,600 | 8.2% | $600 |
| Utilities | $129,600 | 8.2% | $600 |
| Repairs and Maintenance | $216,000 | 13.7% | $1,000 |
| Management Fee | $95,747 | 6.0% | $443 |
| Payroll and Benefits | $302,400 | 19.2% | $1,400 |
| Marketing | $21,600 | 1.4% | $100 |
| Professional Fees | $21,600 | 1.4% | $100 |
| General and Administrative | $32,400 | 2.1% | $150 |
| Other Expenses (Resident Services) | $100,000 | 6.4% | $463 |
| Ground Rent | $0 | 0.0% | $0 |
| Total Expenses | $1,140,821 | 72.5% | $5,282 |
| | | | |
| Net Operating Income | $454,964 | 28.9% | $2,106 |
| | | | |
| Capital Reserve | $64,800 | 4.1% | $300 |
| Extraordinary Capital Items | $0 | 0.0% | $0 |
| Total Capital Expenses | $64,800 | 4.1% | $300 |
| | | | |
| Total Expenses incl Cap'l Expenses | $1,205,621 | 76.6% | $5,582 |
| | | | |
| Net Cash Flow (NOI w/Cap'l Expenses) | $390,164 | 24.4% | $1,806 |
| | | | |
| Debt Service | 336,878 | | |
| Actual Debt Service Coverage | 1.16 | | |

Pillar

**Liberty Square - Phase 3B**

**Preliminary Loan Sizing**

| | | |
|---|---|---|
| # Units | | 144 |
| Loan Amount | $ | 4,000,000 |
| | | |
| 10-yr Treasury Rate (assumed at closing) | | 2.00% |
| Spread (assumed at closing) | | 2.74% |
| Total Rate (assumed at closing) | | 4.74% |

| INCOME | Loan Sizing | | |
|---|---|---|---|
| | Amount | % | $/Unit |
| Gross Potential Rent | $1,150,108 | 100.0% | $7,987 |
| Vacancy | -$33,465 | 2.9% | ($232) |
| Bad Debt/Collection Loss | $0 | 0.0% | $0 |
| Concessions | $0 | 0.0% | $0 |
| Baseline Adjustment (PHA Asset Mgmt Fee) | -$30,338 | -2.6% | ($211) |
| **Net Rental Income** | **$1,086,305** | **100.0%** | **$7,544** |
| | | | |
| Commercial Income | $0 | 0.0% | $0 |
| Commercial Vacancy | $0 | 0.0% | $0 |
| **Net Commercial Income** | **$0** | **0.0%** | **$0** |
| | | | |
| Laundry/Vending | $0 | 0.0% | $0 |
| Parking | $0 | 0.0% | $0 |
| Other Income | $14,400 | 1.3% | $100 |
| **Effective Gross Income** | **$1,100,705** | **101.3%** | **$7,644** |
| | | | |
| Real Estate Taxes | $68,169 | 6.3% | $473 |
| Property Insurance | $86,400 | 8.0% | $600 |
| Utilities | $86,400 | 8.0% | $600 |
| Repairs and Maintenance | $144,000 | 13.3% | $1,000 |
| Management Fee | $66,042 | 6.0% | $459 |
| Payroll and Benefits | $201,600 | 18.6% | $1,400 |
| Marketing | $14,400 | 1.3% | $100 |
| Professional Fees | $14,400 | 1.3% | $100 |
| General and Administrative | $21,600 | 2.0% | $150 |
| Other Expenses (Resident Services) | $65,000 | 6.0% | $451 |
| Ground Rent | $0 | 0.0% | $0 |
| **Total Expenses** | **$768,011** | **70.7%** | **$5,333** |
| | | | |
| **Net Operating Income** | **$332,694** | **30.6%** | **$2,310** |
| | | | |
| Capital Reserve | $43,200 | 3.9% | $300 |
| Extraordinary Capital Items | $0 | 0.0% | $0 |
| **Total Capital Expenses** | **$43,200** | **3.9%** | **$300** |
| | | | |
| **Total Expenses Incl Cap'l Expenses** | **$811,211** | **73.7%** | **$5,633** |
| | | | |
| **Net Cash Flow (NOI w/Cap'l Expenses)** | **$289,494** | **26.3%** | **$2,010** |

| | |
|---|---|
| **First Mortgage Debt Service** | 234,360 |
| **First Mortgage DSCR** | 1.24 |
| **Surtax DS** | 16,000 |
| **Total DSCR** | 1.16 |

Pillar

**Liberty Square - Phase 4B**

**Preliminary Loan Sizing**

| | | |
|---|---|---|
| # Units | | 120 |
| Loan Amount | $ | 5,350,000 |
| | | |
| 10-yr Treasury Rate (assumed at closing) | | 2.00% |
| Spread (assumed at closing) | | 2.74% |
| Total Rate (assumed at closing) | | 4.74% |

| INCOME | Loan Sizing | | |
|---|---|---|---|
| | Amount | % | $/Unit |
| Gross Potential Rent | $1,048,896 | 100.0% | $8,741 |
| Vacancy | -$63,654 | 6.1% | ($530) |
| Bad Debt/Collection Loss | $0 | 0.0% | $0 |
| Concessions | $0 | 0.0% | $0 |
| Baseline Adjustment (PHA Asset Mgmt Fee) | $0 | 0.0% | $0 |
| Net Rental Income | $985,242 | 100.0% | $8,210 |
| | | | |
| Commercial Income | $0 | 0.0% | $0 |
| Commercial Vacancy | $0 | 0.0% | $0 |
| Net Commercial Income | $0 | 0.0% | $0 |
| | | | |
| Laundry/Vending | $0 | 0.0% | $0 |
| Parking | $0 | 0.0% | $0 |
| Other Income | $12,000 | 1.2% | $100 |
| Effective Gross Income | $997,242 | 101.2% | $8,310 |
| | | | |
| Real Estate Taxes | $0 | 0.0% | $0 |
| Property Insurance | $72,000 | 7.3% | $600 |
| Utilities | $72,000 | 7.3% | $600 |
| Repairs and Maintenance | $120,000 | 12.2% | $1,000 |
| Management Fee | $59,835 | 6.0% | $499 |
| Payroll and Benefits | $168,000 | 17.1% | $1,400 |
| Marketing | $12,000 | 1.2% | $100 |
| Professional Fees | $12,000 | 1.2% | $100 |
| General and Administrative | $18,000 | 1.8% | $150 |
| Other Expenses (Resident Services) | $50,000 | 5.1% | $417 |
| Ground Rent | $0 | 0.0% | $0 |
| Total Expenses | $583,835 | 59.3% | $4,865 |
| | | | |
| Net Operating Income | $413,407 | 42.0% | $3,445 |
| | | | |
| Capital Reserve | $36,000 | 3.6% | $300 |
| Extraordinary Capital Items | $0 | 0.0% | $0 |
| Total Capital Expenses | $36,000 | 3.6% | $300 |
| | | | |
| Total Expenses Incl Cap'l Expenses | $619,835 | 62.2% | $5,165 |
| | | | |
| Net Cash Flow (NOI w/Cap'l Expenses) | $377,407 | 37.8% | $3,145 |

| | |
|---|---|
| First Mortgage Debt Service | 313,443 |
| First Mortgage DSCR | 1.20 |
| Surtax DS | 13,000 |
| Total DSCR | 1.16 |

Pillar

**Liberty Square - Phase 4C**

**Preliminary Loan Sizing**

| | |
|---|---|
| # Units | 120 |
| Loan Amount | $ 16,150,000 |
| | |
| 10-yr Treasury Rate (assumed at closing) | 2.00% |
| Spread (assumed at closing) | 2.74% |
| Total Rate (assumed at closing) | 4.74% |

| INCOME | Loan Sizing | | |
|---|---|---|---|
| | Amount | % | $/Unit |
| Gross Potential Rent | $2,113,776 | 100.0% | $17,615 |
| Vacancy | -$127,547 | 6.0% | ($1,063) |
| Bad Debt/Collection Loss | $0 | 0.0% | $0 |
| Concessions | $0 | 0.0% | $0 |
| Baseline Adjustment (PHA Asset Mgmt Fee) | $0 | 0.0% | $0 |
| **Net Rental Income** | **$1,986,229** | **100.0%** | **$16,552** |
| | | | |
| Commercial Income | $0 | 0.0% | $0 |
| Commercial Vacancy | $0 | 0.0% | $0 |
| **Net Commercial Income** | **$0** | **0.0%** | **$0** |
| | | | |
| Laundry/Vending | $0 | 0.0% | $0 |
| Parking | $0 | 0.0% | $0 |
| Other Income | $12,000 | 0.6% | $100 |
| **Effective Gross Income** | **$1,998,229** | **100.6%** | **$16,652** |
| | | | |
| Real Estate Taxes | $143,253 | 7.2% | $1,194 |
| Property Insurance | $72,000 | 3.6% | $600 |
| Utilities | $72,000 | 3.6% | $600 |
| Repairs and Maintenance | $120,000 | 6.0% | $1,000 |
| Management Fee | $119,894 | 6.0% | $999 |
| Payroll and Benefits | $168,000 | 8.5% | $1,400 |
| Marketing | $12,000 | 0.6% | $100 |
| Professional Fees | $12,000 | 0.6% | $100 |
| General and Administrative | $18,000 | 0.9% | $150 |
| Other Expenses (Resident Services) | $100,000 | 5.0% | $833 |
| Ground Rent | $0 | 0.0% | $0 |
| **Total Expenses** | **$837,147** | **42.1%** | **$6,976** |
| | | | |
| **Net Operating Income** | **$1,161,082** | **58.5%** | **$9,676** |
| | | | |
| Capital Reserve | $36,000 | 1.8% | $300 |
| Extraordinary Capital Items | $0 | 0.0% | $0 |
| **Total Capital Expenses** | **$36,000** | **1.8%** | **$300** |
| | | | |
| **Total Expenses Incl Cap'l Expenses** | **$873,147** | **43.7%** | **$7,276** |
| | | | |
| **Net Cash Flow (NOI w/Cap'l Expenses)** | **$1,125,082** | **56.3%** | **$9,376** |

| | |
|---|---|
| **First Mortgage Debt Service** | 946,166 |
| **First Mortgage DSCR** | 1.19 |
| **Surtax DS** | 30,000 |
| **Total DSCR** | 1.15 |

Pillar

**Liberty Square - Phase 4D**

**Preliminary Loan Sizing**

| | |
|---|---|
| # Units | 240 |
| Loan Amount | $ 34,900,000 |
| | |
| 10-yr Treasury Rate (assumed at closing) | 2.00% |
| Spread (assumed at closing) | 2.74% |
| Total Rate (assumed at closing) | 4.74% |

| INCOME | Loan Sizing | | |
|---|---|---|---|
| | Amount | % | $/Unit |
| Gross Potential Rent | $4,227,562 | 100.0% | $17,615 |
| Vacancy | -$255,093 | 6.0% | ($1,063) |
| Bad Debt/Collection Loss | $0 | 0.0% | $0 |
| Concessions | $0 | 0.0% | $0 |
| Baseline Adjustment (PHA Asset Mgmt Fee) | $0 | 0.0% | $0 |
| **Net Rental Income** | **$3,972,469** | **100.0%** | **$16,552** |
| | | | |
| Commercial Income | $0 | 0.0% | $0 |
| Commercial Vacancy | $0 | 0.0% | $0 |
| **Net Commercial Income** | **$0** | **0.0%** | **$0** |
| | | | |
| Laundry/Vending | $0 | 0.0% | $0 |
| Parking | $0 | 0.0% | $0 |
| Other Income | $24,000 | 0.6% | $100 |
| **Effective Gross Income** | **$3,996,469** | **100.6%** | **$16,652** |
| | | | |
| Real Estate Taxes | $303,448 | 7.6% | $1,264 |
| Property Insurance | $144,000 | 3.6% | $600 |
| Utilities | $144,000 | 3.6% | $600 |
| Repairs and Maintenance | $240,000 | 6.0% | $1,000 |
| Management Fee | $239,788 | 6.0% | $999 |
| Payroll and Benefits | $336,000 | 8.5% | $1,400 |
| Marketing | $24,000 | 0.6% | $100 |
| Professional Fees | $24,000 | 0.6% | $100 |
| General and Administrative | $36,000 | 0.9% | $150 |
| Other Expenses (Resident Services) | $50,000 | 1.3% | $208 |
| Ground Rent | $0 | 0.0% | $0 |
| **Total Expenses** | **$1,541,236** | **38.6%** | **$6,422** |
| | | | |
| **Net Operating Income** | **$2,455,223** | **61.8%** | **$10,230** |
| | | | |
| Capital Reserve | $72,000 | 1.8% | $300 |
| Extraordinary Capital Items | $0 | 0.0% | $0 |
| **Total Capital Expenses** | **$72,000** | **1.8%** | **$300** |
| | | | |
| **Total Expenses incl Cap'l Expenses** | **$1,613,236** | **40.4%** | **$6,722** |
| | | | |
| **Net Cash Flow (NOI w/Cap'l Expenses)** | **$2,383,223** | **59.6%** | **$9,930** |

| | |
|---|---|
| First Mortgage Debt Service | 2,044,700 |
| First Mortgage DSCR | 1.17 |
| Surtax DS | 17,000 |
| Total DSCR | 1.16 |

## SECTION 3.11.A) PROJECT FINANCE APPROACH – PHASE 3A

Pro Forma

Construction Lender Firm Commitment

Construction Lender Underwriting

Equity Firm Commitment

Equity Underwriting

Permanent Lender Firm Commitment

Permanent Lender Underwriting

# Liberty Square Rising - Phase 3A
## EXECUTIVE SUMMARY

Address — Miami, FL

Total Units — 216

| SOURCES | Construction Source of Funds | Per Unit | Permanent Source of Funds | Per Unit |
|---|---|---|---|---|
| Tax Credit Equity: | 5,818,878 | 26,939 | 19,396,259 | 89,797 |
| Bonds | 22,000,000 | 101,852 | 5,750,000 | 26,620 |
| HOME | 2,200,000 | 10,185 | 2,200,000 | 10,185 |
| SAIL | 5,000,000 | 23,148 | 5,000,000 | 23,148 |
| SAIL | 1,754,900 | 8,125 | 1,754,900 | 8,125 |
| FHLB | 1,000,000 | 4,630 | 1,000,000 | 4,630 |
| County GOB | 8,000,000 | 37,037 | 8,000,000 | 37,037 |
| Deferred Developer Fee: | 3,234,910 | 14,976 | 1,113,547 | 5,155 |
| **TOTAL** | **49,008,688** | **226,892** | **44,214,706** | **204,698** |

| USES | | Total | Per Unit |
|---|---|---|---|
| **Acquisition** | | | |
| Acquisition Costs | | 540,000 | 2,500 |
| **Construction** | | | |
| Residential Construction | | 23,544,000 | 109,000 |
| 15,000 SF School for Special Needs | | 1,500,000 | |
| Liberty Square History Museum | | 500,000 | |
| GC Fees | 14% | 3,576,160 | |
| Hard Cost Contingency | 5% | 1,456,008 | |
| Total Construction | | 30,576,168 | 141,556 |
| **Soft Costs** | | | |
| Accountant Cost Cert: | | 50,000 | |
| Third party (appraisal, inspections, survey etc.) | | 56,500 | |
| Environmental | | 10,000 | |
| Architectural & Engineering | | 889,000 | |
| Tenant Relocation | | 440,000 | |
| Other Project Soft Costs | | 2,052,460 | |
| Developer Legal Costs | | 180,000 | |
| Financing Costs - Issuance & Origination | | 415,480 | |
| Financing Legal Costs | | 210,000 | |
| Equity Syndication Costs | | 354,941 | |
| Replacement Reserve: | | 64,800 | |
| Lease Up Reserve | | 122,969 | |
| Operating Subsidy Reserve | | 432,126 | |
| Operating Deficit Reserve | | 385,625 | |
| Debt Reserve: | | 755,920 | |
| Soft Cost Contingency | 5% | 208,898 | |
| Soft Costs | | 6,628,718 | 30,689 |
| **TOTAL COSTS before Developer Fee** | | **37,744,886** | **174,745** |
| Developer Fee | | 6,469,820 | 29,953 |
| **TOTAL COSTS** | | 44,214,706 | 204,698 |
| **Total Development Costs Excluding Land** | | **43,674,706** | **202,198** |

**SCHEDULE OF FORECASTED BASE-YEAR REVENUES AND EXPENSES**

**Project:** Liberty Square Rising - Phase 3A
**Project County:** Miami Dade

| Income Level Served | Number of BRs | Number of Units | Pro Forma Rent | Annual Rent |
|---|---|---|---|---|
| **PHA** | 1 | 11 | 596.08 | 78,683 |
| **PHA** | 2 | 74 | 596.08 | 529,319 |
| **PHA** | 3 | 49 | 596.08 | 350,495 |
| **PHA** | 4 | 40 | 596.08 | 286,118 |
| **PHA** | 5 | 2 | 596.08 | 14,306 |
| **60%** | 1 | 10 | 706.00 | 84,720 |
| **60%** | 2 | 20 | 849.00 | 203,760 |
| **60%** | 3 | 10 | 981.00 | 117,720 |
| **Totals** | | 216 | | 1,665,121 |

| ANNUAL OPERATING | | CURRENT Annual | Annual Rents / Unit |
|---|---|---|---|
| Public Housing Units[1] | | 1,258,921 | 5,828 |
| Affordable Rents | | 406,200 | 1,881 |
| Total Gross Potential Rental Revenue | | **1,665,121** | **7,709** |
| Miscellaneous Revenue | | 21,600 | 100 |
| **Gross Potential Income** | | **1,686,721** | **7,809** |
| Vacancy and Collection Loss[2] | 6% | 39,595 | 183 |
| PHA Asset Management Fee | 5% | 51,341 | 238 |
| **EFFECTIVE GROSS INCOME (EGI)** | | **1,595,786** | **7,388** |
| General & Administrative | | 32,400 | 150 |
| Payroll | | 302,400 | 1,400 |
| Utilities | | 129,600 | 600 |
| Marketing | | 21,600 | 100 |
| Maintenance & repairs | | 75,600 | 350 |
| Security | | 75,600 | 350 |
| Service contracts | | 64,800 | 300 |
| Resident Services | | 100,000 | 463 |
| Management Fee | | 95,747 | 443 |
| Professional services | | 21,600 | 100 |
| **Subtotal - Controllable** | | 919,347 | 4,256 |
| Real Estate Taxes | | 91,874 | 425 |
| Property and Liability Ins. | | 129,600 | 600 |
| **Subtotal - Taxes & Insurance** | | 221,474 | 1,025 |
| **Total Annual Operating Expenses & Reserves** | | **1,140,822** | **5,282** |
| Replacement Reserve Deposits | | 64,800 | 300 |
| **NET OPERATING INCOME (LOSS)** | | **$ 390,164** | **$ 1,806** |

NOTES

1.) Net of operating subsidy proration which was approximately 11% in 2014

2.) Vacancy & Collection based on 6% of tenant paid rent only.

OPERATING PROFORMA - Liberty Square Rising - Phase 3A

| Revenue | Growth | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 | Year 9 | Year 10 | Year 11 | Year 12 | Year 13 | Year 14 | Year 15 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Rental Income** | | | | | | | | | | | | | | | | |
| Tenant Rent | 3.0% | 232,109 | 239,072 | 246,244 | 253,632 | 261,240 | 269,078 | 277,150 | 285,465 | 294,028 | 302,849 | 311,935 | 321,293 | 330,932 | 340,860 | 351,085 |
| Operating Subsidy | 3.0% | 864,252 | 890,179 | 916,884 | 944,391 | 972,723 | 1,001,904 | 1,031,962 | 1,062,920 | 1,094,808 | 1,127,652 | 1,161,482 | 1,196,326 | 1,232,216 | 1,269,182 | 1,307,258 |
| Utility Subsidy | 3.0% | 162,561 | 167,437 | 172,461 | 177,634 | 182,963 | 188,452 | 194,106 | 199,929 | 205,927 | 212,105 | 218,468 | 225,022 | 231,773 | 238,726 | 245,888 |
| Affordable Rents | 2.0% | 406,200 | 414,324 | 422,610 | 431,063 | 439,684 | 448,478 | 457,447 | 466,596 | 475,928 | 485,447 | 495,156 | 505,059 | 515,160 | 525,463 | 535,972 |
| **Total Rent Revenue** | | **1,665,121** | **1,711,013** | **1,758,200** | **1,806,720** | **1,856,611** | **1,907,912** | **1,960,665** | **2,014,910** | **2,070,691** | **2,128,053** | **2,187,040** | **2,247,700** | **2,310,080** | **2,374,231** | **2,440,203** |
| | | | 1.0276 | | | | | | | | | | | | | |
| **Rent Loss** | | | | | | | | | | | | | | | | |
| Vacancy and Collection Loss | 6.0% | 39,595 | 40,526 | 41,480 | 42,457 | 43,458 | 44,484 | 45,535 | 46,612 | 47,716 | 48,847 | 50,005 | 51,193 | 52,409 | 53,656 | 54,934 |
| PHA Asset Management Fee | 5.0% | 51,341 | 52,881 | 54,467 | 56,101 | 57,784 | 59,518 | 61,303 | 63,142 | 65,037 | 66,988 | 68,997 | 71,067 | 73,199 | 75,395 | 77,657 |
| **Total Rent Loss** | | **90,935** | **93,407** | **95,947** | **98,558** | **101,243** | **104,002** | **106,839** | **109,755** | **112,753** | **115,834** | **119,003** | **122,260** | **125,609** | **129,051** | **132,591** |
| | | | 1.0272 | | | | | | | | | | | | | |
| **Other Revenue** | | | | | | | | | | | | | | | | |
| Miscellaneous Revenue | 2.0% | 21,600 | 22,032 | 22,473 | 22,922 | 23,381 | 23,848 | 24,325 | 24,812 | 25,308 | 25,814 | 26,330 | 26,857 | 27,394 | 27,942 | 28,501 |
| **Total Other Revenue** | | **21,600** | **22,032** | **22,473** | **22,922** | **23,381** | **23,848** | **24,325** | **24,812** | **25,308** | **25,814** | **26,330** | **26,857** | **27,394** | **27,942** | **28,501** |
| | | | 1.0200 | | | | | | | | | | | | | |
| **Total Revenue** | | **1,595,786** | **1,639,638** | **1,684,725** | **1,731,083** | **1,778,749** | **1,827,758** | **1,878,151** | **1,929,967** | **1,983,247** | **2,038,032** | **2,094,368** | **2,152,297** | **2,211,866** | **2,273,122** | **2,336,113** |
| **Expenses** | | | | | | | | | | | | | | | | |
| General & Administrative | 3.0% | 32,400 | 33,372 | 34,373 | 35,404 | 36,466 | 37,560 | 38,687 | 39,848 | 41,043 | 42,275 | 43,543 | 44,849 | 46,195 | 47,580 | 49,008 |
| Payroll | 3.0% | 302,400 | 311,472 | 320,816 | 330,441 | 340,354 | 350,564 | 361,081 | 371,914 | 383,071 | 394,563 | 406,400 | 418,592 | 431,150 | 444,085 | 457,407 |
| Utilities | 3.0% | 129,600 | 133,488 | 137,493 | 141,617 | 145,866 | 150,242 | 154,749 | 159,392 | 164,173 | 169,099 | 174,172 | 179,397 | 184,779 | 190,322 | 196,032 |
| Marketing | 3.0% | 21,600 | 22,248 | 22,915 | 23,603 | 24,311 | 25,040 | 25,792 | 26,565 | 27,362 | 28,183 | 29,029 | 29,899 | 30,796 | 31,720 | 32,672 |
| Maintenance & repairs | 3.0% | 75,600 | 77,868 | 80,204 | 82,610 | 85,088 | 87,641 | 90,270 | 92,978 | 95,768 | 98,641 | 101,600 | 104,648 | 107,788 | 111,021 | 114,352 |
| Security | 3.0% | 75,600 | 77,868 | 80,204 | 82,610 | 85,088 | 87,641 | 90,270 | 92,978 | 95,768 | 98,641 | 101,600 | 104,648 | 107,788 | 111,021 | 114,352 |
| Service contracts | 3.0% | 64,800 | 66,744 | 68,746 | 70,809 | 72,933 | 75,121 | 77,375 | 79,696 | 82,087 | 84,549 | 87,086 | 89,698 | 92,389 | 95,161 | 98,016 |
| Resident Services | 3.0% | 100,000 | 103,000 | 106,090 | 109,273 | 112,551 | 115,927 | 119,405 | 122,987 | 126,677 | 130,477 | 134,392 | 138,423 | 142,576 | 146,853 | 151,259 |
| Management Fee | 3.0% | 95,747 | 98,620 | 101,578 | 104,625 | 107,764 | 110,997 | 114,327 | 117,757 | 121,290 | 124,928 | 128,676 | 132,536 | 136,513 | 140,608 | 144,826 |
| Professional services | 3.0% | 21,600 | 22,248 | 22,915 | 23,603 | 24,311 | 25,040 | 25,792 | 26,565 | 27,362 | 28,183 | 29,029 | 29,899 | 30,796 | 31,720 | 32,672 |
| Real Estate Taxes | 3.0% | 91,874 | 94,631 | 97,470 | 100,394 | 103,406 | 106,508 | 109,703 | 112,994 | 116,384 | 119,875 | 123,472 | 127,176 | 130,991 | 134,921 | 138,968 |
| Insurance | 3.0% | 129,600 | 133,488 | 137,493 | 141,617 | 145,866 | 150,242 | 154,749 | 159,392 | 164,173 | 169,099 | 174,172 | 179,397 | 184,779 | 190,322 | 196,032 |
| **Total Cost of Operations** | | **1,140,822** | **1,175,046** | **1,210,298** | **1,246,607** | **1,284,005** | **1,322,525** | **1,362,201** | **1,403,067** | **1,445,159** | **1,488,513** | **1,533,169** | **1,579,164** | **1,626,539** | **1,675,335** | **1,725,595** |
| **Replacement Reserve Deposits** | 1.5% | **64,800** | **65,772** | **66,759** | **67,760** | **68,776** | **69,808** | **70,855** | **71,918** | **72,997** | **74,092** | **75,203** | **76,331** | **77,476** | **78,638** | **79,818** |
| **Net Operating Income** | | **390,164** | **398,820** | **407,669** | **416,717** | **425,967** | **435,425** | **445,095** | **454,982** | **465,091** | **475,427** | **485,996** | **496,802** | **507,851** | **519,148** | **530,700** |
| **Debt Service - Hard** | | | | | | | | | | | | | | | | |
| First Mortgage | Rate | | | | | | | | | | | | | | | |
| *Interest Payments* | 4.74% | 271,134 | 267,949 | 264,610 | 261,109 | 257,439 | 253,590 | 249,556 | 245,325 | 240,890 | 236,240 | 231,365 | 226,254 | 220,895 | 215,276 | 209,385 |
| *Principal Payments* | | 65,744 | 68,928 | 72,268 | 75,768 | 79,439 | 83,287 | 87,322 | 91,552 | 95,987 | 100,637 | 105,512 | 110,624 | 115,983 | 121,601 | 127,492 |
| Total | | 336,878 | 336,878 | 336,878 | 336,878 | 336,878 | 336,878 | 336,878 | 336,878 | 336,878 | 336,878 | 336,878 | 336,878 | 336,878 | 336,878 | 336,878 |
| **Hard Pay Debt Service** | | **336,878** | **336,878** | **336,878** | **336,878** | **336,878** | **336,878** | **336,878** | **336,878** | **336,878** | **336,878** | **336,878** | **336,878** | **336,878** | **336,878** | **336,878** |
| *DSCR* | | *1.16* | *1.18* | *1.21* | *1.24* | *1.26* | *1.29* | *1.32* | *1.35* | *1.38* | *1.41* | *1.44* | *1.47* | *1.51* | *1.54* | *1.58* |
| **Total Debt Service** | | 336,878 | 336,878 | 336,878 | 336,878 | 336,878 | 336,878 | 336,878 | 336,878 | 336,878 | 336,878 | 336,878 | 336,878 | 336,878 | 336,878 | 336,878 |
| **Before Tax Cash Flow** | | 53,287 | 61,942 | 70,792 | 79,839 | 89,090 | 98,548 | 108,218 | 118,105 | 128,214 | 138,550 | 149,118 | 159,924 | 170,973 | 182,271 | 193,823 |
| **Deferred Developer Fee Balance** | | 1,113,547 | 1,065,260 | 1,008,468 | 942,981 | 868,605 | 785,143 | 692,392 | 590,144 | 478,189 | 356,309 | 224,283 | 81,884 | - | - | - |
| LP Asset Management Fee: | 3.0% | 5,000 | 5,150 | 5,305 | 5,464 | 5,628 | 5,796 | 5,970 | 6,149 | 6,334 | 6,524 | 6,720 | 6,921 | 7,129 | 7,343 | 7,563 |
| Deferred Developer Fee and Interest: | | 48,287 | 56,792 | 65,487 | 74,376 | 83,462 | 92,751 | 102,247 | 111,955 | 121,880 | 132,026 | 142,399 | 81,884 | - | - | - |
| **Cash Flow after Developer Fee** | | - | - | - | - | - | - | - | - | - | - | - | 71,119 | 163,844 | 174,928 | 186,260 |

Bank of America
Merrill Lynch

February 4, 2016

**Mr. Albert Milo, Jr.**
**Vice President**
**315 S. Biscayne Blvd.**
**Miami, Fl 33131**

Re: Liberty Square Rising Phase 3A
Miami, Fl

Dear Mr. Milo:

This letter will serve as an outline of the terms under which Bank of America (the "Bank") would offer construction tax-exempt bond financing. This commitment is contingent upon credit approval and completion of the underwriting and due diligence process, including without limitation receipt of appraisals, environmental reports, Bank's engineer's reports and all final budgets and operating pro forma, all satisfactory to Bank in its sole and absolute discretion. Bank shall have no obligations hereunder if any of the conditions set forth therein are not satisfied as Bank requires in its sole and absolute discretion. All funding agreements for the Project shall be in form and substance acceptable to Bank in its sole discretion. We reserve the right to modify and/or add to any terms described in this letter following receipt and review of due diligence materials. The following is intended to summarize the structure and basic terms and conditions (subject to modification upon completion of due diligence by Bank) upon which Bank will provide the financing described herein and is not an inclusive statement of all provisions, documents or requirements of a closing. This commitment shall be null and void and of no further effect if not executed and returned on or before February 18, 2016.

**The proposed terms and conditions are as follows:**

| | |
|---|---|
| **Borrower:** | A to be formed single purpose entity, affiliate of RUDG, LLC.—form and substance of Borrower must be acceptable to the Bank. |
| **Guarantors:** | 100% guarantee of completion, performance and repayment to be provided by PRH Investments, LLC. For borrowers that are single-asset entities, principal(s) with general liability or guarantor(s) acceptable to the Bank must be jointly and severally liable for completion of the project and repayment of the financing, including interest and costs. Guarantors to have financial covenants that include minimum net worth and liquidity—TBD. |
| **Purpose:** | To enable Borrower to construct a total of 216 apartment units known as Liberty Square Rising Phase 3A in Miami Dade County, Florida. |
| **Program:** | Construction financing through Bank's Special Bond Offering product ("SBO"), a proprietary private placement tax-exempt bond product. Bank will purchase no more than $22,000,000 in floating rate tax-exempt |

bonds ("Bonds") issued through the Miami Dade County Housing Finance Authority ("Issuer"). The debt service on the Bonds will be interest-only at a floating rate until the date that is 24 months after the closing date (the "Conversion Date"), in order to allow for construction and lease-up.

The SBO can be used in a full-sale or draw-down bond scenario provided this latter structure is acceptable to the Issuer. Repayment must occur not later than the Conversion Date, provided that such deadline may be extended for 6 additional months upon satisfaction of the following conditions: (a) No less than 30 but no more than 90 day written notice of intention to exercise the option; (b) No event of default having occurred or potential default occurring; (c) Performance hurdles have been met, including but not limited to, lien-free construction completion and lease up hurdles; (d) The loan is in balance, including sufficient interest reserve; (e) Project must demonstrate the ability to be able to convert/payoff Bank's loan within the 6-month extension period; (f) All co-construction loans mature or are extended concurrent or past the Bank's extension date; (g) All takeout commitments expire or are extended concurrent or past the Bank's extension date; (h) All investor commitments include terms or are modified to be consistent with the extension of the Bank's loan; (i) No material adverse change in the financial condition of the Project, Borrower, and Guarantor; (j) payment of an extension fee of 50 bps of the total commitment amount; and (k) rate adjustment or fee payment, as appropriate, to cover the cost of revising the forward rate lock, if any.

**Floating Rate:** A rate of LIBOR Daily Floating Rate + 2.25% prior to the Conversion Date.

**Issuer/Trustee Fees:** Borrower will pay all costs of issuance, including, without limitation, any upfront and/or ongoing issuer fees, all bond counsel fees, Issuer's counsel fees, if any, and all fees to the Trustee to close the issuance of the Bonds and administer the Bonds. These fees are not included in the above stated rates.

**Financing Fees:** 100 bps origination fee payable on initial Bond closing. Administrative fee of $5,000.

**LIHTC** Bank of America will need to approve the tax credit investor and pay-in schedule. The LIHTC limited partnership agreement must obligate the tax credit investor to make equity payments into the Project with no less than 20% of total LIHTC equity being invested at Bond closing, and with additional payments during construction satisfactory to Bank of America.

**Take Out Financing:** Take out commitment conditions must be acceptable to the Bank, and may include a requirement for interest rate protection. Borrower and any person or entity that at any time provides a guaranty of Borrower's obligations in respect of such interest rate protection (including but not limited to any general partner of any thereof) will be required to be an

"eligible contract participant" as such term is defined in the Commodity Exchange Act (7 U.S.C. § 1 et seq.), as amended from time to time, and any successor statute.

**Loan to Value:**

An independent appraisal must support all bank underwriting conclusions, including but not limited to a loan-to-value ratio satisfactory to bank based upon the completed and stabilized restricted value of the subject real estate plus any value ascribed to other acceptable collateral including, but not limited to, cash collateral and Low Income Housing Tax Credits.

**Security:**

A first priority (i) mortgage and security interest in the Project; (ii) security interest in all personal property used in conjunction with the construction, operation and maintenance of the Project; (iii) assignment of all leases and rents; (iv) assignment of all construction, architect, and engineering contracts; (v) assignment of all permits, licenses and agreements; (vi) assignment of interests in the Borrower; (vii) pledge of reserve accounts;

**Other Conditions**

1) Miami Dade County GOB, HOME, SAIL and/or any additional source of funds to close simultaneously with the subject loan closing, demonstrate funds readily available and not subject to future appropriations or approvals and be subordinate to bank financing as documented in an agreement acceptable to the bank. Timing of disbursement of said funds to be acceptable to the bank.
2) Intercreditor agreement, acceptable to the bank, to be executed by all parties providing funds for the construction and completion of the subject property

**Environmental:**

Environmental indemnity to be obtained in form and substance approved by the Bank.

**General Contractor:**

General contractor to be acceptable to the bank and provide payment and performance bond or letter of credit equal to 10% of the contract amount, which letter of credit issuer and format must be acceptable to the bank.

**Fees and Expenses:**

Borrower will pay all reasonable costs incurred by the Bank in connection with the financing including, but not limited to, legal, environmental, front end costs and document review/inspections, physical needs assessment (for existing projects only) and appraisal. Borrower acknowledges that Bank may receive a benefit, including, without limitation, a discount, credit or other accommodation, from outside counsel based on the fees such counsel may receive on account of their relationship with Bank including, without limitation, fees paid pursuant hereto.

**Reporting Requirements:**

Annually: Borrower and Guarantors' financial statements and covenant compliance.

Semi-Annually: Guarantors' financial statements and covenant compliance.

Monthly: Property operating statements and rental summary report.

**Know Your Customer:**

Within five (5) business days of opening an account with Bank, Borrower shall have delivered to Bank all due diligence materials necessary and relevant to verifying Borrower's identity and background information, as deemed necessary by Bank in its sole and absolute discretion.

**Principal Depository:**

Borrower shall maintain Bank of America, N.A. as its principal depository bank, including for the maintenance of business, cash management, operating and administrative deposit accounts.

**Other Requirements:**

All of the following to be acceptable to the Bank: documentation and submissions that are standard for loans of this type including, but not limited to, appraisal, ESA, legal documentation, insurance, title/survey, proposed standard lease form, front-end cost and document reviews and acceptance of final budget (includes adequate contingency, interest carry/operating deficit reserve, etc.), review of plans/specs, condition of markets/submarkets, revenue/expenses pro-formas, financial review of Borrower, Guarantor, and general contractor, management agreement and subordination; and (as applicable), proof of tax credit award, equity investor and pay-in schedule, proof of tax-exempt status with respect to ad valorem taxes and other terms and conditions as may be required.

**Confidentiality:**

This document is strictly confidential and may not be shared with anyone else other than the owners of Borrower and Miami Dade County Public Housing and Community Development Staff.

**Material Adverse Change:**

Bank of America's obligations hereunder shall terminate if, prior to closing, Bank of America determines, in its sole judgment, that there shall exist any conditions regarding the property, or the operations, business, assets, liabilities or condition (financial or otherwise, including credit rating) of Borrower or Guarantor, or there shall have occurred a material adverse change in, or there shall exist any material adverse conditions in, the market for syndicated bank credit facilities or the financial, banking, credit or debt capital markets generally, that could be expected to cause the loan to become delinquent or prevent any guarantor from performing its obligations under any guaranty or to

materially and adversely affect the value or marketability of the loan or the property or Bank of America's ability to syndicate the loan or the viability of obtaining permanent financing for the Project.

**Assumptions made:** The terms discussed herein are presented, based on the credit conditions in the potential transaction as known by Bank of America. Should additional facts come to light that positively or negatively impact the situation, prices or other requirements quoted here may be adjusted.

**Expiration:** This letter will expire at 5:00 p.m. on that date which is ten (10) business days from the date hereof unless you execute this letter and return it to us prior to that time, which may be by facsimile transmission.

The undersigned acknowledges and agrees that: (i) the transaction contemplated by this letter is an arm's length, commercial transaction between you and Bank in which Bank is acting solely as a principal and for its own interest; (ii) Bank is not acting as a municipal advisor or financial advisor to you; (iii) Bank has no fiduciary duty pursuant to Section 15B of the Securities Exchange Act of 1934 to you with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto (irrespective of whether Bank has provided other services or is currently providing other services to you on other matters); (iv) the only obligations Bank has to you with respect to the transaction contemplated hereby expressly are set forth in this letter; and (v) Bank is not recommending that you take an action with respect to the transaction contemplated by this letter, and before taking any action with respect to the contemplated transaction, you should discuss the information contained herein with its own legal, accounting, tax, financial and other advisors, as it deems appropriate. If you would like a municipal advisor in this transaction that has legal fiduciary duties to you, you are free to engage a municipal advisor to serve in that capacity. This letter is provided to you pursuant to and in reliance upon the "bank exemption" provided under the municipal advisor rules of the Securities and Exchange Commission, Rule 15Ba1-1 et seq.

Please review the above terms and conditions and feel free to call me with any questions or comments you may have. If you find the above terms and conditions to be acceptable, please indicate so by signing below and returning a faxed copy to my attention by February 18, 2016. When you return the signed copy of this letter, please confirm that the Bond amount is acceptable. Upon receipt of the letter, the Bank will proceed with the necessary due diligence to prepare and submit your loan request, provided, however that in any event, this letter will finally expire at 5:00 pm on that date which is one hundred and eighty (180) days from the date hereof. I look forward to hearing from you and working with you on this and other transactions.

If you have any questions or comments, please do not hesitate to give me a call at 954-765-2188.

Sincerely,

**Diane L. Ross, Senior Vice President**
**Bank of America Merrill Lynch**
**401 E. Las Olas Blvd, Suite 900**
**Ft Lauderdale, Fl 33301**
**PH 954-765-2188**

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Accept the terms as outlined above:

Name: _____
Title: Senior VP
Date: 2/4/16

**CONSTRUCTION PHASE 3A**

| Per Sq Ft | Per Unit | MASTER BUDGET<br>Line Item | GROSS BUDGET | DEFERRED USES | NET CONSTRUCTION BUDGET |
|---|---|---|---|---|---|
| | 2,500 | Land Value | 540,000 | | 540,000 |
| | | Other Acquisition Costs | | | - |
| | **2,500** | **TOTAL LAND COSTS** | **540,000** | - | **540,000** |
| | 2,315 | Off Site Improvements | 500,000 | | 500,000 |
| | 2,315 | **TOTAL SITE WORK** | **500,000** | - | **500,000** |
| | 104,000 | Construction - Residential | 22,464,000 | | 22,464,000 |
| | 6,944 | Construction - Commercial | 1,500,000 | | 1,500,000 |
| | 5,000 | Other Non-Eligible (Carports, storage) | 1,080,000 | | 1,080,000 |
| | 2,365 | General Requirements | 510,880 | | 510,880 |
| | 7,096 | Contractor Overhead | 1,532,640 | | 1,532,640 |
| | **7,096** | Contractor Profit | 1,532,640 | | 1,532,640 |
| | 1,285 | builders risk | 277,479 | | 277,479 |
| | **843** | P&B Bonds | 182,161 | | 182,161 |
| | 926 | FF&E | 200,000 | | 200,000 |
| | 6,741 | **Construction Contingency** | 1,456,008 | | 1,456,008 |
| | | | | | - |
| | 142,295 | **TOTAL HARD COSTS** | **30,735,808** | - | **30,735,808** |
| | 3,500 | **Interest Reserve** | **755,920** | | 755,920 |
| | 215 | Const Loan Inspection | 46,500 | | 46,500 |
| | 1,065 | Const Loan Origination Fee | 230,000 | | 230,000 |
| | 986 | Const Title & Recording | 213,080 | | 213,080 |
| | 1,000 | Other const. loan cost (describe) | 216,000 | | 216,000 |
| | | Perm Loan Origination Fee | | | - |
| | 46 | Perm Conversion Fee | 10,000 | | 10,000 |
| | | Perm Lender Commitment Fee | | | - |
| | | Perm Lender Closing Costs | | | - |
| | | Perm Title & Recording | | | - |
| | | B of A Lender Legal | | | - |
| | | Other Loan Costs | | | - |
| | 713 | Other Loan Costs - Bond Issuance and Und. | 153,980 | | 153,980 |
| | | Upfront LC Fees | | | - |
| | | Annual LC Fee | | | - |
| | 7,525 | **TOTAL INTERIM FINANCING COSTS** | **1,625,480** | - | **1,625,480** |
| | | T.Credit Application & Monitoring Fees | | | - |
| | 231 | Marketing | 50,000 | | 50,000 |
| | 231 | Accounting | 50,000 | | 50,000 |
| | | Equity Legal paid by Bank | | | - |
| | 463 | **TOTAL ORG COSTS, START-UP** | **100,000** | - | **100,000** |
| | 300 | Replacement Reserves | 64,800 | 64,800 | - |
| | 2,001 | Operating Reserve | 432,126 | 432,126 | - |
| | 463 | Leasing/Other Reserves | 100,000 | 100,000 | - |
| | 1,785 | Other Reserves | 385,625 | 385,625 | - |
| | 4,549 | **TOTAL RESERVES** | **982,551** | **982,551** | - |
| | 1,643 | Tax Credit Consultant | 354,941 | | 354,941 |
| | 29,953 | Developer Fees | 6,469,820 | 3,234,910 | 3,234,910 |
| | 31,596 | **TOTAL FEES** | **6,824,761** | **3,234,910** | **3,589,851** |
| | 100 | Insurance | 21,600 | | 21,600 |
| | 1,200 | Utilities | 259,200 | | 259,200 |
| | 106 | Taxes | 22,969 | | 22,969 |
| | 1,806 | Legal | 390,000 | | 390,000 |
| | 2,037 | Tenant Relocation | 440,000 | | 440,000 |
| | | Pre-development Interest | | | - |
| | 3,116 | Architect | 673,000 | | 673,000 |
| | 46 | Survey & Engineering | 10,000 | | 10,000 |
| | 69 | Appraisal & Mkt Study | 15,000 | | 15,000 |
| | 1,183 | Permits | 255,440 | | 255,440 |
| | 46 | Enviromental Surveys | 10,000 | | 10,000 |
| | 463 | Project Administration | 100,000 | | 100,000 |
| | **2,315** | Other Soft Costs | 500,000 | | 500,000 |
| | **967** | Soft Cost Contingency | 208,898 | | 208,898 |
| | **13,454** | **TOTAL SOFT COSTS** | **2,906,107** | - | **2,906,107** |
| | **204,698** | **TOTAL PROJECT COSTS** | **44,214,707** | **4,217,461** | **39,997,246** |

| Timing During Construction | SOURCES THROUGH CONSTRUCTION PHASE | | | |
|---|---|---|---|---|
| | | | Gross Loan | 22,000,000 |
| | | | Loan Holdback | |
| | | | Net after Holdback | 22,000,000 |
| | CONDITIONS | ILP | Other | |
| Upfront | ILP | 5,818,878 | | 5,818,878 |
| Construction | HOME | | 2,200,000 | 2,200,000 |
| Construction | SAIL | | 5,000,000 | 5,000,000 |
| Construction | SAIL | | 1,754,900 | 1,754,900 |
| Construction | FHLB | | 1,000,000 | 1,000,000 |
| Construction | County GOB | | 8,000,000 | 8,000,000 |
| | GIC Income | | | - |
| | NOI | | | - |
| | TOTAL SOURCES THROUGH COMPLETION | | | 45,773,778 |
| | SURPLUS DURING CONSTRUCTION PHASE = | | | 5,776,532 |

COMPLETION THROUGH CONVERSION PHASE

| See comment | USES AT COMPLETION THROUGH CONVERSION: | DEFERRALS DURING CONSTRUCTIO | DEFERRALS THROUGH CONVERSION | NET USES THIS PHASE |
|---|---|---|---|---|
| Discretionary Dev Fee | Developer | 3,234,910 | 1,113,547 | 2,121,363 |
| Other Mandatory | Replacement Reserves | 64,800 | | 64,800 |
| Other Mandatory | Operating Reserve | 432,126 | | 432,126 |
| Other Mandatory | Leasing/Other Reserves | 100,000 | | 100,000 |
| Other Mandatory | Other Reserves | 385,625 | | 385,625 |
| | TOTAL COSTS AT COMPLETION THROUGH CONV | 4,217,461 | 1,113,547 | 3,103,914 |

| Timing At Completion Through Conversion | SOURCES AT COMPLETION THROUGH CONVERSION | | | |
|---|---|---|---|---|
| | Takeout loan (term loan minus term-lender's imposed holdbacks, if any) | | | 5,750,000 |
| | | | SUM OF ABOVE | 5,750,000 |
| | | ILP | Other | |
| er Lien-Free Complet | Loan increase or paydown, if any | | (16,250,000) | (16,250,000) |
| | ILP Completion | | | - |
| 8609 | ILP 8609 | 13,577,382 | | 13,577,382 |
| | GIC Income | | | - |
| | NOI | | | - |
| | TOTAL SOURCES AFTER COMPLETION THROUGH CONVERSION | | | (2,672,618) |
| | < SHORTAGE DURING CONVERSION PHASE > = | | | (5,776,532) |
| | <CUMULATIVE SHORTAGE> = | | | (0) |

SUMMARY

| GROSS USES = 44,214,707 | | | |
|---|---|---|---|
| | Construction Phase | Change during Conversion Phase | Cumulative |
| Deferrals | 4,217,461 | (3,103,914) | 1,113,547 |
| NET USES | 39,997,246 | 3,103,914 | 43,101,160 |
| SOURCES | 45,773,778 | (2,672,618) | 43,101,160 |
| SURPLUS < SHORTAGE > | 5,776,532 | (5,776,532) | (0) |

SUMMARY TAX CREDIT INVESTOR PAYMENT SCHEDULE

| Conditions | Payment Amount | Percentage of ILP | Cumulative |
|---|---|---|---|
| ILP | 5,818,878 | 30% | 30% |
| | - | | |
| ILP 8609 | 13,577,382 | 70% | 100% |
| ILP Contributions after conversion, if any | - | | |
| TOTAL | $19,396,260 | 100% | |

| Timing of Developer Fee Payments | DEVELOPER FEE DISBURSEMENT SCHEDULE | | | |
|---|---|---|---|---|
| | Conditions | Payment Amount | Percentage | Cumulative |
| Upfront | Closing | 3,234,910 | 50% | 50% |
| | @ 100% project completion | | 0% | 50% |
| | Paid from equity installment at 8609s | 2,121,363 | 33% | 83% |
| | Deferred | 1,113,547 | 17% | 100% |
| | TOTAL | $6,469,820 | 100% | |

HUDSON
HOUSING CAPITAL

February 4, 2016

Mr. Alberto Milo, Jr.
RUDG, LLC
315 S. Biscayne Blvd
Miami, FL 33131

Re: **Liberty Square Rising Phase 3A, Miami, FL**
**A to be formed singled purpose entity, an affiliate of RUDG, LLC (the "Company")**

Dear Albert:

Thank you for providing Hudson Housing Capital LLC ("Hudson") with the opportunity to extend a purchase offer for the limited membership interest in the Company that will own Liberty Square Rising Phase 3A.

Hudson is a Delaware limited liability company formed to directly acquire limited membership/partnership interests in companies/partnerships which own apartment complexes qualifying for low-income housing tax credits ("Tax Credits") under Section 42 of the Internal Revenue Code of 1986, as amended (the "Code").

Set forth is our proposal as to the basic business terms under which Hudson or its designee ("Investor") will acquire a 99.99% limited membership interest in the Company which will own a 216-unit complex in Miami, Florida (the "Property"). You have advised us that RUDG, LLC (the "Developer") will be the developer of the Property and a to-be formed single purpose entity, an affiliate of RUDG, LLC (the "Manager") will be the Manager of the Company. Subject to review of financials, entities acceptable to Hudson shall guarantee the obligations of the Manager (the "Guarantor"). An affiliate of the Investor will be admitted to the Company as a special member (the "Special Member", "SM") with limited supervisory rights

You have also advised us that the Property will apply for an as-of right Tax Credit allocation of credits from The Florida Housing Finance Corporation of $1,731,982, 4% Tax Credits per year. All 216 units will qualify for Tax Credits. 176 units will be public housing subsidized pursuant to an annual contributions contract (the "Annual Contributions Contract", "ACC").

## *I. Equity Investment*

The Investor will contribute to the Company a total of $19,396,259 (the "Total Equity"), or approximately $1.12 (the "Tax Credit Ratio") per total Tax Credit available to the Investor, payable in the following installments:

| Contribution | Contribution % | Description/Timing |
|---|---|---|
| First | 30% | At closing and through construction (see detail below) |
| Second | 60% | Breakeven (Stabilization) |
| Third | 10% | Forms 8609 |

*a.* ***First Capital Contribution.*** The Investor will fund the First Capital Contribution as follows:

| Timing | Contribution |
|---|---|
| At closing | 10% |
| At 50% completion | 10% |
| At 75% completion | 10% |

*b.* ***Second Capital Contribution.*** The Second Capital Contribution will be paid upon the satisfaction of the conditions set forth in the Operating Agreement, which are principally as follows: (i) lien-free completion of construction of the Property substantially in accordance with the Plans and Specifications in a workmanlike manner approved by Hudson; (ii) issuance of Certificates of Occupancy for 100% of the units in the Property; (iii) receipt of final Tax Credit cost certification from independent accountants to the Company (the "Accountant") (the "Final Certification"); (iv) if not received at the Initial Closing, receipt of a tax credit determination letter for the Property; (v) receipt of a pay-off letter from the general contractor or sub-contractors, as applicable; and (vi) receipt of prior year's income tax returns in the event such returns are then due; (vii) qualification of 100% of the set-aside apartment units in the Property for Tax Credits; (viii) satisfactory financial condition of the Guarantor (no event of bankruptcy); and (ix) achievement of Breakeven level for three consecutive months (the "Breakeven Date").

"Breakeven" shall mean that, for each such month, occupancy is at least 95% and that Property income including ACC payments equals the greater of underwritten and actual expenses including replacement reserves, any land lease payments, reassessed taxes, assuming the greater of actual or a 5% vacancy rate. Any ACC payments due for each month of the Breakeven period though not funded at such time will be credited as income for that period for purposes of this Breakeven test provided that it is received by the end of such 3 month period.

c. ***Third Capital Contribution.*** The Third Capital Contribution will be paid upon satisfaction of the conditions set forth in the Operating Agreement, which are principally as follows: (i) receipt of Form 8609 with respect to all buildings constituting the Property; and (ii) receipt of a tax return and an audited financial statement for the year in which the Breakeven Date occurred.

In the event such tax return and audited financial statement are not due at such time, $15,000 of the Third Capital Contribution shall be held back and released upon receipt of such items.

Our offer assumes the following financing:

a. Construction period first mortgage loan in the approximate amount of $22,000,000.
b. Gap Funds in the approximate amount of $17,954,000.

## *II. Developer Fee*

The Developer shall receive a Developer Fee not to exceed the maximum allowable Developer Fee pursuant to Florida Housing Financing Corporation ("State Finance Agency") guidelines, to be paid on a schedule to be agreed upon. You have represented that the amount of the Developer Fee does not exceed the amount permitted to be paid by the State Finance Agency. Deferred developer fees shall be paid from available cash flow as detailed in Section V and shall bear interest at the AFR. Principal payments on the deferred developer fees shall commence with the funding of the Second Capital Contribution.

## *III. Property Management Fee*

The Manager may retain one of its affiliates to be the managing agent for the Property on commercially reasonable terms. The management agreement, to be approved by the Investor, shall have an initial term of 1 year and shall be renewable annually thereafter, shall provide for an annual management fee not to exceed the maximum allowable management fee pursuant to HUD guidelines, and shall otherwise be on commercially reasonable terms (including a termination right by the Manager in the event of fraud/gross negligence or material default by the Manager). If the managing agent is affiliated with the Manager, the management agreement shall provide for a deferral of up to 100% of the management fee in the event that the property does not generate positive Cash Flow.

## *IV. Intentionally Omitted*

## *V. Cash Flow Distributions*

Cash flow from the Property, after payment of operating expenses (including the Administrative Expense Reimbursement, current and any deferred property management fees from prior years, debt service), replenishment of required reserves (including any reserve payments which were not made due to insufficient cash flow) and payment of any tax liability incurred by the Investor ("Cash Flow"), shall be distributed annually (subsequent to the Breakeven Date) as follows:

a. to the payment of any Operating Deficit Loans, if any;
b. 90% of Cash Flow after Va. to payment of (i) the Developer Fees; and (ii) the balance (if any) to the Manager as a preferred return with an equivalent allocation of income;
c. the remainder to be split in accordance with Company interests.

## *VI. Sale or Refinancing Proceeds*

Net sale or refinancing proceeds (i.e., after payment of, outstanding debts, liabilities other than to the Manager and its affiliates and expenses of the Company and establishment of necessary reserves) shall be distributed as follows:

a. Repayment of outstanding loans by the limited members, if any;
b. Payment of amounts due to the limited members under the Tax Credit Adjuster;
c. Repayment of outstanding loans by the Manager, including the Developer Fee Note (if not paid) and Operating Deficit loans;
d. 10% to the Investor and 90% to the Manager

**Right of First Refusal**

A qualified non-profit corporation designated by the Manager shall have a right of first refusal as allowed under Section 42, commencing upon the expiration of the tax credit compliance period continuing for 12 months, to purchase the Project or the Special Member's interest for the outstanding debt including any amounts owed to the Special Members plus all exit taxes of the Special Members.

## *VII. Manager Commitments*

a. ***Low Income Housing Tax Credit Adjustment.*** Our offer is based upon the assumption that the Company will qualify for and claim Tax Credits of $1,731,982 per year for the 15 year compliance period.

***(i) Adjustments during equity payment (construction and leaseup) period***

In the event that either the Form 8609's or the Final Certification indicate that the Property will not generate the projected aggregate amount of Tax Credits (other than as specified below), the Operating Agreement will provide for a return of such capital, an adjustment in the amount of any unpaid Capital Contributions and/or a payment by the Manager to the Investor, sufficient to restore the Tax Credit Ratio as defined above.

Not withstanding the preceding paragraph, in the event that the Final Certification specifies that, while the aggregate amount of Tax Credit allocable to the Company is unchanged, the amount of Tax Credits allocable to the Company in the first two years of the compliance period is less than the amounts to be specified prior to closing for the corresponding years, the Second/Third Capital Contributions will be

reduced by $0.60 for each dollar by which such amounts exceed the amount of Tax Credits allocable to the Company for such period.

***(ii) Adjustments during compliance period***

After the Form 8609's have been issued, in the event that the actual amount of Tax Credits which may be claimed by the Company is less than the amount specified in such Forms, the Manager shall reimburse the Investor on a dollar-for-dollar basis for each lost dollar of Tax Credits plus any resulting penalties or taxes due. Similarly, if there is a recapture of Tax Credits (except from the sale or transfer of the Investor's interest in the Company, or due to a change of applicable tax law), the Manager shall upon demand indemnify the Investor and its members against any Tax Credit recapture liability (including interest, penalties and any reasonable related legal or accounting costs) which they may incur during the Compliance Period.

b. ***Development Deficit Guaranty***. The Manager shall be responsible for completion of the Property in a workmanlike manner, in accordance with approved plans and specifications, free and clear of all liens. To the extent that the costs of construction and operations until the Breakeven Date exceed the amount of any funding by approved permanent third party lenders, any unpaid Developer Fees and the amount of the Investor's capital commitment (adjusted as set forth above), the Manager shall pay all such costs and expenses connected with development and construction of the Property, including all operating expenses of the Property until the Breakeven Date has been achieved. The contractor shall be required to post a 100% payment & performance bond or a 15% letter of credit to the construction lender.

c. ***Operating Deficit Guaranty***. The Manager shall make interest free loans to the Company (repayable from cash flow and/or sale and refinancing proceeds as described above) equal to any Operating Deficits (including the Minimum Deposit described in VII e. below and the administration fee described in VIII. a. below) incurred during the period beginning on the Breakeven Date and ending on the completion of three consecutive years of Breakeven operations, in an amount not to exceed 12 months of underwritten operating expenses in the aggregate (the "Operating Deficit Guaranty").

An Operating Reserve in an amount equal to the greater of $432,126 or three months of operating expenses and shall be funded at the time of the Second Capital Contribution. The Manager shall be obligated to fund this reserve. The Operating Reserve shall be maintained for the duration of the compliance period and cannot be used until the expiration of the Operating Deficit Guaranty.

An ACC Reserve shall also be established in an amount equal to $385,625 or six months of subsidy payments. The Manager will be obligated to fund this reserve at the time of the Second Capital Contribution and it shall remain in place for the duration of the tax credit compliance period.

d. ***Obligations of Manager.*** Immediately following the occurrence of any of the following events, (x) the Manager shall admit the Special Member or its designee as the manager of the Company and, at the option of the Investor, withdraw from the Company; or, (y) at the option of the Investor with respect to any of the events described in clauses (i) through (v) below, repurchase the Investor's interest in the Company: (i) an IRS Form 8609 is not issued with respect to each of the buildings in the Property in a timely manner after each such building has been placed in service; (ii) the Property is not fully placed in service within 24 months of closing; (iii) the Company fails to meet the minimum set aside test (as defined in Section 42 of the Code) or fails to execute and record a Tax Credit Extended Use Commitment by the close of the first year of the Credit Period: (iv) the Company shall have been declared in default by any mortgage lender or under the tax credit allocation or foreclosure proceedings have been commenced against the Property and such default is not cured or such proceeding is not dismissed within 30 days; or (v) there is a material violation of the Operating Agreement by the Manager or if the property manager is an affiliate of the Manager, a material violation of the management agreement by the manager which causes material adverse harm to the Investor, the Company or the Property.

If the Investor elects to have its interest repurchased by the Manager, the repurchase price shall be equal to 105% of the sum of (i) all capital contributions made by the investor, (ii) any tax liability (if any) incurred by the Investor as a result of such repurchase, less any Capital Contributions not funded to date.

e. ***Replacement Reserve.*** Commencing with the month following Completion, the Company will make a minimum monthly replacement reserve deposit (the "Minimum Deposit") equal to (on an annualized basis) the greater of (i) the amount required by the permanent lender and (ii) $300/unit. The amount of the Minimum Deposit shall be increased annually by a percentage (the "CPI Percentage"). If the sum of all lender-imposed monthly replacement reserve deposits is less than the Minimum Deposit, Investor will establish a separate account into which the Manager will deposit the difference. Any interest earned on such account shall become a part thereof.

f. ***Reporting.*** The Company will be required to furnish Investor with (a) quarterly unaudited financial statements within 60 days after the end of each quarter of the fiscal year; (b) annual audited financial statements within 90 days after the end of each fiscal year; (c) an annual budget for each fiscal year of the Company, not later than November 1 of the preceding year; and (d) the Company's tax returns and K-1 forms within 60 days after the end of each fiscal year. The penalty for any failure to deliver Company tax returns or K-1 forms prior to the specified deadline shall be (i) $50 per day for the first seven days after such deadline, (ii) $100 per day for the next seven days and (iii) $150 per day thereafter, provided that the amount of such penalty shall not exceed $2,000 in any year.

## *VIII. Fees to Affiliates of Hudson*

a. ***Administrative Expense Reimbursement.*** An affiliate of Hudson shall receive an annual administrative expense reimbursement from the Company in the amount of $5,000 (commencing with payment of the Second Capital Contribution), which amount shall be increased annually by the CPI Percentage.

## *IX. Representations, Warranties and Covenants*

The Manager shall make certain representations and warranties as to the Company, the Manager and the Property to be set forth in the Operating Agreement.

## *X. Accountants*

The Accountants for the Company shall be Novogradac & Co, CohnReznick Group, RubinBrown or another firm approved by the Investor. The Accountants shall prepare tax and financial reports as set forth in the Operating Agreement, and the Final Certification referred to in I.c., above.

## *XI. Investment Member Rights*

The Operating Agreement will provide certain approval rights as to major actions proposed to be taken by the Manager. The Investor shall have the right to remove the Manager and the Manager for cause.

## *XII. Insurance*

At the closing, the Manager shall provide for title insurance satisfactory to counsel to the Investor in an amount equal to the sum of all Capital Contributions, all mortgage loans and the amount of any Development Fee Note. Prior to the payment of any additional installment of the Capital Contribution, a "date down" of such policy shall be provided. The Manager shall provide for (i) liability (general and excess) insurance in an amount of at least $6,000,000 (increased biennially by the CPI Percentage), (ii) hazard insurance (including boiler and machinery coverage) in an amount of not less than the replacement value of the Property, (iii) rental loss insurance for a period of 12 months after the date of loss and (iv) law and ordinance coverage. Builder's risk insurance shall be provided during construction. Architects shall submit evidence of errors and omissions coverage, in amounts reasonably satisfactory to the Investor. Workers compensation insurance shall be provided as to any entity with employees working at the Apartment Complex. All policies shall name the Investor as an additional insured and shall otherwise be subject to Investor approval.

## *XIII. Indemnity Agreement*

The Manager shall indemnify the Investor, Hudson and its affiliates, and their respective officers, directors for any untrue statement of a material fact or omission to state a material fact necessary to make any such statement, in light of the circumstances under which they were made, not misleading, by the Manager or its agents set forth in any document delivered by the Manager

or its agents in connection with the acquisition of the Property, the investment by the Investor in the Company and the execution of the Operating Agreement.

## *XIV. General Conditions*

Payment of the Second/Third Capital Contributions shall be conditioned upon completion of an appropriate due diligence review by the Investor to confirm that there have been no changes in material circumstances affecting the Property, including (i) review of title (including a "date-down" endorsement), survey, environmental and other legal and regulatory matters, (ii) receipt of a "date-down" legal opinion from counsel to the Company for the Second Capital Contribution; and (iii) certification by the Manager as to the continued accuracy of representations and warranties made in the Operating Agreement.

## *XVI. Conditions to Closing*

Hudson has performed preliminary underwriting which is attached as Exhibit A, and will request the full cooperation of you and your professionals, customary due diligence review in connection with the acquisition of the Property and the Investor interest in the Company. To facilitate the due diligence process, you agree to deliver to Hudson, an accepted letter of intent and the following due diligence: (i) an appraisal, to be provided at least three weeks prior to closing; (ii) a Phase I environmental study of the Property site, prepared in accordance with ASTM standards, and any subsequent additional testing deemed necessary by Investor in its sole discretion; (ii) evidence of the required approval of the transaction by applicable governmental entities; (iv) evidence of the allocation/reservation of Tax Credits; (v) evidence of the financial status of the guarantor; (vi) evidence that the tax credit basis is sufficient to support the allocated tax credits; (vii) complete plans and specifications for the Property; (vi) a partnership and real estate legal opinion from approved counsel, to be provided prior to closing; and (ix) such other materials as are reasonably required by Investor as part of its customary financial and legal due diligence review. Such items shall be prepared and furnished at your own expense. Your execution of this letter will also be deemed consent to perform background checks on the principal(s) of the Manager and Developer, as well as any additional individual guarantors.

At closing, the Company shall reimburse Hudson up to $50,000 for its costs for legal fees, a market study of the area in which the Property is located, background checks and out-of-pocket travel expenses. The Manager acknowledges that any consultant selected for the project shall be acceptable to the lender and to Hudson and the Company shall bear the cost of fees associated with pre-construction feasibility studies, structural analysis and monthly inspections.

Additionally, approval of this transaction is subject to Investor's satisfactory completion of due diligence in its sole discretion. This proposal is valid only if accepted in writing and received by Hudson within 30 days of the date hereof. By executing this proposal and in consideration of the substantial expenses to be incurred by Hudson and its affiliates in legal and accounting fees and for due diligence, you agree that you and your affiliates will not offer any interest in the Property to any other party unless this Letter of Intent is terminated by either party or unless you are notified that, pursuant to its due diligence, the Investor will not complete its investment in the Company.

**The terms of this proposal are confidential, and you have agreed not to share this proposal or its terms with any other party (other than your legal counsel, the state tax credit allocating agency and Miami Dade County Public Housing and Community Development staff).** If this proposal is acceptable, please indicate your acceptance by executing two copies of this Letter of Intent and returning one to Hudson. We look forward to working with you.

Sincerely,
**Hudson Housing Capital LLC**

By:_____
Philip Gorgone
Vice President

ACCEPTED AND AGREED TO
THIS 4th DAY OF February 2016

By:_____
Name: Alberto Milo, Jr
Title: Senior VP

# NET OPERATING INCOME
## Liberty Square Rising Phase 3A

| | AMI | # Units | Gross Rent | Utility Allowance | Net Rent | Underwritten Rent | Sq. Feet | Annual Total Rent |
|---|---|---|---|---|---|---|---|---|
| | | | | | - | - | | - |
| **1 Bdrm / 1 Bath (PHA)** | | 11 | 596 | | 596 | 596 | | 78,683 |
| **2 Bdrm / 1 Bath (PHA)** | | 74 | 596 | | 596 | 596 | | 529,319 |
| **3 Bdrm / 2 Bath (PHA)** | | 49 | 596 | | 596 | 596 | | 350,495 |
| **4 Bdrm / 2 Bath (PHA)** | | 40 | 596 | | 596 | 596 | | 286,118 |
| **5 Bdrm / 2 Bath (PHA)** | | 2 | 596 | | 596 | 596 | | 14,306 |
| **1 Bdrm / 1 Bath** | | 10 | 706 | | 706 | 706 | | 84,720 |
| **2 Bdrm / 1 Bath** | | 20 | 849 | | 849 | 849 | | 203,760 |
| **3 Bdrm / 2 Bath** | | 10 | 981 | | 981 | 981 | | 117,720 |
| | | | | | - | - | | - |
| **Total** | | 216 | | | | | | 1,665,121 |
| **Low Income Units** | **100.00%** | 216 | | | | | | |
| Annual Rental Income | | | | | | | | 1,665,121 |
| Other | | | | | | | | 21,600 |
| ***Less:*** | | | | | | | | - |
| Annual Rental Income Vacancy | | | | | | 5.38% | | (89,639) |
| Laundry Vacancy | | | | | | 5.38% | | - |
| Commercial Vacancy | | | | | | 5.38% | | - |
| Other Vacancy | | | | | | 6.00% | | (1,296) |
| Effective Income | | | | | | | | 1,595,786 |
| ***Less:*** | | | | | | *Per Unit* | | |
| Expenses | | | | | | 5,282 | | (1,140,822) |
| Replacement Reserves | | | | | | 300 | | (64,800) |
| Total Expenses | | | | | | 5,582 | | (1,205,622) |
| **NOI** | | | | | | | | **390,164** |
| Permanent Loan | | | | | | | | 5,750,000 |
| Debt Service | | | | | | | | 336,878 |
| DSC | | | | | | | | 1.16 |
| *Rate* | 4.74% | | | | | Supportable Debt | | 5,790,000 |
| *Amortization* | 35 | | | | | | | |
| DSC | 1.15 | | | | | | | |

## SOURCES & USES OF FUNDS

**Liberty Square Rising Phase 3A**

| Uses | | | TOTAL | At Closing | Through Construction | Completion | Stabilization | Eligible Basis |
|---|---|---|---|---|---|---|---|---|
| Acquisition Costs | | | | | | | | |
| Land | | | 540,000 | 540,000 | | | - | |
| Building | | | | - | | | - | - |
| Acquisition legal | | | | - | | | - | |
| Other Acquisition Costs | | | | - | | | - | |
| Sub-Total | | | 540,000 | 540,000 | - | - | - | - |
| Hard Costs | | | | | | | | |
| Site Work | | | | - | | - | - | - |
| Building Construction | | | 22,464,000 | | 22,464,000 | - | - | 22,464,000 |
| Parking | | | 1,080,000 | | 1,080,000 | - | - | 1,080,000 |
| Contingency | | | 1,456,008 | | 1,456,008 | - | - | 1,456,008 |
| General Requirements | | | 510,880 | | 510,880 | - | - | 510,880 |
| Performance Bond | | | 182,161 | | 182,161 | - | - | 182,161 |
| Contractor Overhead | | | 1,532,640 | | 1,532,640 | - | - | 1,532,640 |
| Contractor Profit | | | 1,532,640 | | 1,532,640 | - | - | 1,532,640 |
| School for Special Needs (Comm. Facility) | | | 1,500,000 | | 1,500,000 | - | - | 1,500,000 |
| Liberty Square History Museum (Comm. Facility) | | | 500,000 | | 500,000 | - | - | 500,000 |
| Other Hard Costs | | | | | - | - | - | - |
| Sub-Total | | 142,400 | 30,758,329 | - | 30,758,329 | - | - | 30,758,329 |
| Financing Costs | | | | | | | | |
| Construction Period Interest | | 349,724 | 755,920 | | 755,920 | - | - | 265,801 |
| Construction Loan Fees | | | 193,980 | 193,980 | - | - | - | 193,980 |
| Permanent Loan Fees | | | 115,000 | 115,000 | - | - | - | |
| Closing Costs - Permanent | | | 106,500 | 106,500 | - | - | - | |
| Title & Recording-Construction | | | 143,685 | 143,685 | - | - | - | 143,685 |
| Title & Recording-Permanent | | | 47,895 | 47,895 | - | - | - | |
| Bank Engineer | | | 31,500 | 31,500 | - | - | - | 31,500 |
| Other Financing Costs | | | 210,000 | 210,000 | - | - | - | 157,500 |
| Sub-Total | | | 1,604,480 | 848,560 | 755,920 | - | - | 792,466 |
| Soft Costs | | | | | | | | |
| Appraisal | | | 7,500 | 7,500 | - | - | - | 7,500 |
| Market Study | | | 7,500 | 7,500 | - | - | - | 7,500 |
| Environmental Study | | | 10,000 | 10,000 | - | - | - | 10,000 |
| Architectural | | | 673,000 | 673,000 | - | - | - | 673,000 |
| Engineering | | | 15,000 | 15,000 | - | - | - | 15,000 |
| Survey | | | 10,000 | 10,000 | - | - | - | 10,000 |
| Legal | | | 180,000 | 180,000 | - | - | - | 112,500 |
| Accounting | | | 50,000 | 50,000 | - | - | - | 50,000 |
| Insurance | | | 299,079 | 299,079 | - | - | - | 299,079 |
| Marketing | | | 50,000 | | 50,000 | - | - | |
| Permits and Fees | | | 255,440 | 255,440 | - | - | - | 255,440 |
| Tax Credit Fees | | | 159,941 | 159,941 | - | - | - | |
| Inspection Fees | | | 216,000 | | 216,000 | - | - | 216,000 |
| Taxes | | | | - | - | - | - | - |
| Tenant Relocation | | | 440,000 | 440,000 | - | - | - | 440,000 |
| Site Security | | | 500,000 | | 500,000 | - | - | 500,000 |
| Utility Connection Fee | | | 259,200 | 259,200 | - | - | - | 259,200 |
| Community Relations | | | 100,000 | | 100,000 | - | - | |
| Monitoring fees | | | 145,000 | | 145,000 | - | - | 145,000 |
| Syndication | | | 50,000 | 50,000 | - | - | - | |
| Title Insurance | | | | - | - | - | - | - |
| Soft Cost Contingency | | | 208,898 | | 208,898 | - | - | 208,898 |
| Furnishings | | | 200,000 | | 200,000 | - | - | 200,000 |
| Sub-Total | | | 3,836,558 | 2,416,660 | 1,419,898 | - | - | 3,409,117 |
| Reserves | | | | | | | | |
| Operating | | | 432,126 | | | | 432,126 | |
| Operating Subisdy Reserve | | | 385,625 | | | | 385,625 | |
| Replacement Reserve | | | 64,800 | | | | 64,800 | |
| Leaseup | | | 100,000 | | 100,000 | | - | |
| Tax Escrow | | | 22,969 | | 22,969 | | - | |
| Developer Fees/Overhead | | | 6,469,820 | | | | 6,469,820 | 6,469,820 |
| TOTAL USES | | | 44,214,707 | 3,805,220 | 33,057,116 | - | 7,352,371 | 41,429,732 |
| | | | 44,214,706 | | | | | |
| Sources | | | | 10.00% | 20.00% | 0.00% | 70.00% | |
| Tax Credit Equity | | | 19,396,259 | 1,939,626 | 3,879,252 | - | 13,577,381 | |
| Construction Loan | 3.50% | 22,000,000 | | 1,865,594 | 20,134,406 | - | (22,000,000) | |
| Permanent Loan | 4.74% | 35 years | 5,750,000 | | | | 5,750,000 | |
| HOME | 0.00% | 30 years | 2,200,000 | | 2,200,000 | - | - | |
| SAIL Loan 1 | 0.00% | 30 years | 5,000,000 | | 5,000,000 | - | - | |
| SAIL Loan 2 | 0.00% | 30 years | 1,754,900 | | 1,754,900 | - | - | |
| FHLB | 0.00% | 30 years | 1,000,000 | | 88,558 | - | 911,442 | |
| County GOB | 0.00% | 30 years | 8,000,000 | | | - | 8,000,000 | |
| Other Sources | | | - | | | | | |
| Deferred Developer Fee | | | 1,113,548 | | | | 1,113,548 | |
| TOTAL SOURCES | | | 44,214,707 | 3,805,220 | 33,057,116 | - | 7,352,371 | |

Pillar

PILLAR MULTIFAMILY
AN AFFILIATE OF GUGGENHEIM PARTNERS
330 Madison Avenue
NEW YORK, NEW YORK 10017
PILLARFINANCE.COM

February 4, 2016

Mr. Tony Del Pozzo
Mr. Albert Milo
RUDG, LLC
315 S. Biscayne Blvd. – 4th Floor
Miami, FL 33131

Re: Liberty Square Rising (the "Property"), 1,488 units
Miami, FL

Gentlemen:

Based on our review and analysis of the information you have supplied, we are pleased to provide the following permanent financing commitment for your proposed Liberty Square Rising development located in Miami-Dade County, Florida.

Borrower/Applicant: Affiliate of RUDG, LLC or such other entity acceptable to Lender.

Manager: Affiliate of RUDG, LLC or such other entity acceptable to Lender.

Developer: Affiliate of RUDG, LLC or such other entity acceptable to Lender.

Guarantor: PRH Investments LLC or such other entity acceptable to Lender.

Loan / Purpose: Permanent financing to each phase of the Project in the below amounts, subject to final underwriting:

| Phase | Permanent Loan Amount |
|---|---|
| Liberty Square - Phase 1A Lincoln Gardens | $10,750,000 |
| Liberty Square - Phase 1B | $5,650,000 |
| Liberty Square - Phase 2 | $5,650,000 |
| Liberty Square - Phase 3A | $5,750,000 |
| Liberty Square - Phase 3B | $4,000,000 |
| Liberty Square - Phase 4B | $5,350,000 |
| Liberty Square - Phase 4C | $16,150,000 |
| Liberty Square - Phase 4D | $34,900,000 |
| | $88,200,000 |

Term: 17 Years (2 year unfunded forward commitment followed by 15 year term)

Interest Rate: The interest rate on the Loan (the "Interest Rate") is estimated to be 4.74%. which rate assumes that the yield on the 10-Year Treasury at the time of rate lock is 2.00%. The Interest Rate is an estimate and

| | |
|---|---|
| | components of the Interest Rate adjust daily and are subject to overall fluctuations in the capital markets. |
| Commitment Fee: | 1.0% of the loan amount |
| Collateral: | First mortgage; other typical pledges and assignments. |
| Guarantee: | Non-recourse to the Borrower and Guarantors, with standard carve-outs (the carve outs include, without limitation, delivery assurance, guarantees against fraud, misrepresentation, environmental and waste). |
| Loan to Value: | 90% |
| Minimum DSCR: | 1.15x based on the actual Interest Rate determined at Rate Lock. |
| Amortization Period: | 35 Years |
| Subordinate Financing: | Subordinate Financing will be permitted subject to Pillar's approval. |
| Additional: | Any real estate tax PILOT or exemption is subject to full and final due diligence and must be structured in accordance with all Pillar and applicable Agency guidelines. |
| Lending Program: | Freddie Mac or Fannie Mae |

This commitment is contingent upon credit approval and completion of the underwriting and due diligence process, including without limitation receipt of appraisals, environmental reports, Lender engineer's reports and all final budgets and operating pro forma, all satisfactory to Lender in its sole and absolute discretion. We reserve the right to modify and/or add to any terms described in this letter following receipt and review of due diligence materials. The foregoing is intended to summarize the structure and basic terms and conditions (subject to modification upon completion of due diligence by Lender) upon which Lender may provide the financing described herein and is not an inclusive statement of all provisions, documents or requirements of a closing. This commitment shall be null and void and of no further effect if not executed and returned on or before February 22, 2016.

Sincerely,
PILLAR MULTIFAMILY, LLC

By: _____
Paul Sherrington
Authorized Signatory

By the execution below, the undersigned Applicant acknowledges and agrees to the foregoing terms and conditions of this Application.

Agreed To and Accepted:

By: _____

Date: 2/4/16

Pillar

**Liberty Square - Phase 1A**

**Preliminary Loan Sizing**

| | |
|---|---|
| # Units | 216 |
| Loan Amount | $ 10,750,000 |
| | |
| 10-yr Treasury Rate (assumed at closing) | 2.00% |
| Spread (assumed at closing) | 2.74% |
| Total Rate (assumed at closing) | 4.74% |

| INCOME | Loan Sizing | | |
|---|---|---|---|
| | Amount | % | $/Unit |
| Gross Potential Rent | $2,144,993 | 100.0% | $9,931 |
| Vacancy | -$93,240 | -7.2% | ($432) |
| Bad Debt/Collection Loss | $0 | 0.0% | $0 |
| Concessions | $0 | 0.0% | $0 |
| Baseline Adjustment (PHA Asset Mgmt fee) | -$30,629 | -1.5% | ($142) |
| Net Rental Income | $2,021,124 | 100.0% | $9,357 |
| | | | |
| Commercial Income | $0 | 0.0% | $0 |
| Commercial Vacancy | $0 | 0.0% | $0 |
| Net Commercial Income | $0 | 0.0% | $0 |
| | | | |
| Laundry/Vending | $0 | 0.0% | $0 |
| Parking | $0 | 0.0% | $0 |
| Other Income | $21,600 | 1.1% | $100 |
| Effective Gross Income | $2,042,724 | 101.1% | $9,457 |
| | | | |
| Real Estate Taxes | $144,145 | 7.1% | $667 |
| Property Insurance | $129,600 | 6.4% | $600 |
| Utilities | $129,600 | 6.4% | $600 |
| Repairs and Maintenance | $216,000 | 10.7% | $1,000 |
| Management Fee | $122,563 | 6.0% | $567 |
| Payroll and Benefits | $259,200 | 12.8% | $1,200 |
| Marketing | $21,600 | 1.1% | $100 |
| Professional Fees | $21,600 | 1.1% | $100 |
| General and Administrative | $32,400 | 1.6% | $150 |
| Other Expenses | $100,000 | 4.9% | $463 |
| Ground Rent | $0 | 0.0% | $0 |
| Total Expenses | $1,176,708 | 58.2% | $5,448 |
| | | | |
| Net Operating Income | $866,016 | 42.8% | $4,009 |
| | | | |
| Capital Reserve | $64,800 | 3.2% | $300 |
| Extraordinary Capital Items | $0 | 0.0% | $0 |
| Total Capital Expenses | $64,800 | 3.2% | $300 |
| | | | |
| Total Expenses Incl Cap'l Expenses | $1,241,508 | 60.8% | $5,748 |
| | | | |
| Net Cash Flow (NOI w/Cap'l Expenses) | $801,216 | 39.2% | $3,709 |

| | |
|---|---|
| First Mortgage Debt Service | 629,814 |
| First Mortgage DSCR | 1.27 |
| CFFP DS | 64,000 |
| Total DSCR | 1.15 |

Pillar

**Liberty Square - Phase 1B**

**Preliminary Loan Sizing**

| | | |
|---|---|---|
| # Units | | 216 |
| Loan Amount | $ | 5,650,000 |
| | | |
| 10-yr Treasury Rate (assumed at closing) | | 2.00% |
| Spread (assumed at closing) | | 2.74% |
| Total Rate (assumed at closing) | | 4.74% |

| INCOME | Loan Sizing | | |
|---|---|---|---|
| | Amount | % | $/Unit |
| Gross Potential Rent | $1,663,113 | 100.0% | $7,853 |
| Vacancy | -$37,474 | 2.3% | ($173) |
| Bad Debt/Collection Loss | $0 | 0.0% | $0 |
| Concessions | $0 | 0.0% | $0 |
| Baseline Adjustment (PHA Asset Mgmt Fee) | -$52,507 | -3.4% | ($243) |
| **Net Rental Income** | **$1,663,132** | **100.0%** | **$7,237** |
| | | | |
| Commercial Income | $0 | 0.0% | $0 |
| Commercial Vacancy | $0 | 0.0% | $0 |
| **Net Commercial Income** | **$0** | **0.0%** | **$0** |
| | | | |
| Laundry/Vending | $0 | 0.0% | $0 |
| Parking | $0 | 0.0% | $0 |
| Other Income | $21,600 | 1.4% | $100 |
| **Effective Gross Income** | **$1,684,732** | **101.4%** | **$7,337** |
| | | | |
| Real Estate Taxes | $89,894 | 5.8% | $416 |
| Property Insurance | $129,600 | 8.3% | $600 |
| Utilities | $129,600 | 8.3% | $600 |
| Repairs and Maintenance | $216,000 | 13.8% | $1,000 |
| Management Fee | $95,084 | 6.0% | $440 |
| Payroll and Benefits | $302,400 | 19.3% | $1,400 |
| Marketing | $21,600 | 1.4% | $100 |
| Professional Fees | $21,600 | 1.4% | $100 |
| General and Administrative | $32,400 | 2.1% | $150 |
| Other Expenses (Resident Services) | $100,000 | 6.4% | $463 |
| Ground Rent | $0 | 0.0% | $0 |
| **Total Expenses** | **$1,138,178** | **72.8%** | **$5,269** |
| | | | |
| **Net Operating Income** | **$446,554** | **28.6%** | **$2,067** |
| | | | |
| Capital Reserve | $64,800 | 4.1% | $300 |
| Extraordinary Capital Items | $0 | 0.0% | $0 |
| **Total Capital Expenses** | **$64,800** | **4.1%** | **$300** |
| | | | |
| **Total Expenses Incl Cap'l Expenses** | **$1,202,978** | **76.9%** | **$5,569** |
| | | | |
| **Net Cash Flow (NOI w/Cap'l Expenses)** | **$381,754** | **24.1%** | **$1,767** |
| | | | |
| **Debt Service** | **331,019** | | |
| **Actual Debt Service Coverage** | **1.15** | | |

Pillar

**Liberty Square - Phase 2**

**Preliminary Loan Sizing**

| | |
|---|---|
| # Units | 216 |
| Loan Amount | $ 5,650,000 |
| | |
| 10-yr Treasury Rate (assumed at closing) | 2.00% |
| Spread (assumed at closing) | 2.74% |
| Total Rate (assumed at closing) | 4.74% |

| INCOME | Loan Sizing | | |
|---|---|---|---|
| | Amount | % | $/Unit |
| Gross Potential Rent | $1,653,113 | 100.0% | $7,653 |
| Vacancy | -$37,474 | 2.3% | ($173) |
| Bad Debt/Collection Loss | $0 | 0.0% | $0 |
| Concessions | $0 | 0.0% | $0 |
| Baseline Adjustment (PHA Asset Mgmt Fee) | -$52,507 | -3.4% | ($243) |
| **Net Rental Income** | **$1,563,132** | **100.0%** | **$7,237** |
| | | | |
| Commercial Income | $0 | 0.0% | $0 |
| Commercial Vacancy | $0 | 0.0% | $0 |
| **Net Commercial Income** | **$0** | **0.0%** | **$0** |
| | | | |
| Laundry/Vending | $0 | 0.0% | $0 |
| Parking | $0 | 0.0% | $0 |
| Other Income | $21,600 | 1.4% | $100 |
| **Effective Gross Income** | **$1,584,732** | **101.4%** | **$7,337** |
| | | | |
| Real Estate Taxes | $89,894 | 5.8% | $416 |
| Property Insurance | $129,600 | 8.3% | $600 |
| Utilities | $129,600 | 8.3% | $600 |
| Repairs and Maintenance | $216,000 | 13.8% | $1,000 |
| Management Fee | $95,084 | 6.0% | $440 |
| Payroll and Benefits | $302,400 | 19.3% | $1,400 |
| Marketing | $21,600 | 1.4% | $100 |
| Professional Fees | $21,600 | 1.4% | $100 |
| General and Administrative | $32,400 | 2.1% | $150 |
| Other Expenses (Resident Services) | $100,000 | 6.4% | $463 |
| Ground Rent | $0 | 0.0% | $0 |
| **Total Expenses** | **$1,138,178** | **72.8%** | **$5,269** |
| | | | |
| **Net Operating Income** | **$446,554** | **28.6%** | **$2,067** |
| | | | |
| Capital Reserve | $64,800 | 4.1% | $300 |
| Extraordinary Capital Items | $0 | 0.0% | $0 |
| **Total Capital Expenses** | **$64,800** | **4.1%** | **$300** |
| | | | |
| **Total Expenses Incl Cap'l Expenses** | **$1,202,978** | **76.9%** | **$5,569** |
| | | | |
| **Net Cash Flow (NOI w/Cap'l Expenses)** | **$381,754** | **24.1%** | **$1,767** |
| | | | |
| **Debt Service** | 331,019 | | |
| **Actual Debt Service Coverage** | 1.15 | | |

Pillar

**Liberty Square - Phase 3A**

**Preliminary Loan Sizing**

| | | |
|---|---|---|
| # Units | | 216 |
| Loan Amount | $ | 5,750,000 |
| | | |
| 10-yr Treasury Rate (assumed at closing) | | 2.00% |
| Spread (assumed at closing) | | 2.74% |
| Total Rate (assumed at closing) | | 4.74% |

| INCOME | Loan Sizing | | |
|---|---|---|---|
| | Amount | % | $/Unit |
| Gross Potential Rent | $1,685,121 | 100.0% | $7,709 |
| Vacancy | -$39,595 | 2.4% | ($183) |
| Bad Debt/Collection Loss | $0 | 0.0% | $0 |
| Concessions | $0 | 0.0% | $0 |
| Baseline Adjustment (PHA Asset Mgmt Fee) | -$51,341 | -3.3% | ($238) |
| Net Rental Income | $1,574,185 | 100.0% | $7,288 |
| | | | |
| Commercial Income | $0 | 0.0% | $0 |
| Commercial Vacancy | $0 | 0.0% | $0 |
| Net Commercial Income | $0 | 0.0% | $0 |
| | | | |
| Laundry/Vending | $0 | 0.0% | $0 |
| Parking | $0 | 0.0% | $0 |
| Other Income | $21,600 | 1.4% | $100 |
| Effective Gross Income | $1,595,785 | 101.4% | $7,388 |
| | | | |
| Real Estate Taxes | $91,874 | 5.8% | $425 |
| Property Insurance | $129,600 | 8.2% | $600 |
| Utilities | $129,600 | 8.2% | $600 |
| Repairs and Maintenance | $216,000 | 13.7% | $1,000 |
| Management Fee | $95,747 | 6.0% | $443 |
| Payroll and Benefits | $302,400 | 19.2% | $1,400 |
| Marketing | $21,600 | 1.4% | $100 |
| Professional Fees | $21,600 | 1.4% | $100 |
| General and Administrative | $32,400 | 2.1% | $150 |
| Other Expenses (Resident Services) | $100,000 | 6.4% | $463 |
| Ground Rent | $0 | 0.0% | $0 |
| Total Expenses | $1,140,821 | 72.5% | $5,282 |
| | | | |
| Net Operating Income | $454,964 | 28.9% | $2,106 |
| | | | |
| Capital Reserve | $64,800 | 4.1% | $300 |
| Extraordinary Capital Items | $0 | 0.0% | $0 |
| Total Capital Expenses | $64,800 | 4.1% | $300 |
| | | | |
| Total Expenses Incl Cap'l Expenses | $1,205,621 | 76.6% | $5,582 |
| | | | |
| Net Cash Flow (NOI w/Cap'l Expenses) | $390,164 | 24.4% | $1,806 |
| | | | |
| Debt Service | 336,878 | | |
| Actual Debt Service Coverage | 1.16 | | |

Pillar

**Liberty Square - Phase 4B**

**Preliminary Loan Sizing**

| | |
|---|---|
| # Units | 120 |
| Loan Amount | $ 5,350,000 |
| | |
| 10-yr Treasury Rate (assumed at closing) | 2.00% |
| Spread (assumed at closing) | 2.74% |
| Total Rate (assumed at closing) | 4.74% |

| INCOME | Loan Sizing | | |
|---|---|---|---|
| | Amount | % | $/Unit |
| Gross Potential Rent | $1,048,896 | 100.0% | $8,741 |
| Vacancy | -$63,654 | 6.1% | ($530) |
| Bad Debt/Collection Loss | $0 | 0.0% | $0 |
| Concessions | $0 | 0.0% | $0 |
| Baseline Adjustment (PHA Asset Mgmt Fee) | $0 | 0.0% | $0 |
| Net Rental Income | $985,242 | 100.0% | $8,210 |
| | | | |
| Commercial Income | $0 | 0.0% | $0 |
| Commercial Vacancy | $0 | 0.0% | $0 |
| Net Commercial Income | $0 | 0.0% | $0 |
| | | | |
| Laundry/Vending | $0 | 0.0% | $0 |
| Parking | $0 | 0.0% | $0 |
| Other Income | $12,000 | 1.2% | $100 |
| Effective Gross Income | $997,242 | 101.2% | $8,310 |
| | | | |
| Real Estate Taxes | $0 | 0.0% | $0 |
| Property Insurance | $72,000 | 7.3% | $600 |
| Utilities | $72,000 | 7.3% | $600 |
| Repairs and Maintenance | $120,000 | 12.2% | $1,000 |
| Management Fee | $59,835 | 6.0% | $499 |
| Payroll and Benefits | $168,000 | 17.1% | $1,400 |
| Marketing | $12,000 | 1.2% | $100 |
| Professional Fees | $12,000 | 1.2% | $100 |
| General and Administrative | $18,000 | 1.8% | $150 |
| Other Expenses (Resident Services) | $50,000 | 5.1% | $417 |
| Ground Rent | $0 | 0.0% | $0 |
| Total Expenses | $583,835 | 59.3% | $4,865 |
| | | | |
| Net Operating Income | $413,407 | 42.0% | $3,445 |
| | | | |
| Capital Reserve | $36,000 | 3.6% | $300 |
| Extraordinary Capital Items | $0 | 0.0% | $0 |
| Total Capital Expenses | $36,000 | 3.6% | $300 |
| | | | |
| Total Expenses incl Cap'l Expenses | $619,835 | 62.2% | $5,165 |
| | | | |
| Net Cash Flow (NOI w/Cap'l Expenses) | $377,407 | 37.8% | $3,145 |

| | |
|---|---|
| First Mortgage Debt Service | 313,443 |
| First Mortgage DSCR | 1.20 |
| Surtax DS | 13,000 |
| Total DSCR | 1.16 |

Pillar

**Liberty Square - Phase 4C**

**Preliminary Loan Sizing**

| | |
|---|---|
| # Units | 120 |
| Loan Amount | $ 16,150,000 |
| | |
| 10-yr Treasury Rate (assumed at closing) | 2.00% |
| Spread (assumed at closing) | 2.74% |
| Total Rate (assumed at closing) | 4.74% |

| INCOME | Loan Sizing | | |
|---|---|---|---|
| | Amount | % | $/Unit |
| Gross Potential Rent | $2,113,776 | 100.0% | $17,615 |
| Vacancy | -$127,547 | 6.0% | ($1,063) |
| Bad Debt/Collection Loss | $0 | 0.0% | $0 |
| Concessions | $0 | 0.0% | $0 |
| Baseline Adjustment (PHA Asset Mgmt Fee) | $0 | 0.0% | $0 |
| Net Rental Income | $1,986,229 | 100.0% | $16,552 |
| | | | |
| Commercial Income | $0 | 0.0% | $0 |
| Commercial Vacancy | $0 | 0.0% | $0 |
| Net Commercial Income | $0 | 0.0% | $0 |
| | | | |
| Laundry/Vending | $0 | 0.0% | $0 |
| Parking | $0 | 0.0% | $0 |
| Other Income | $12,000 | 0.6% | $100 |
| Effective Gross Income | $1,998,229 | 100.6% | $16,652 |
| | | | |
| Real Estate Taxes | $143,253 | 7.2% | $1,194 |
| Property Insurance | $72,000 | 3.6% | $600 |
| Utilities | $72,000 | 3.6% | $600 |
| Repairs and Maintenance | $120,000 | 6.0% | $1,000 |
| Management Fee | $119,894 | 6.0% | $999 |
| Payroll and Benefits | $168,000 | 8.5% | $1,400 |
| Marketing | $12,000 | 0.6% | $100 |
| Professional Fees | $12,000 | 0.6% | $100 |
| General and Administrative | $18,000 | 0.9% | $150 |
| Other Expenses (Resident Services) | $100,000 | 5.0% | $833 |
| Ground Rent | $0 | 0.0% | $0 |
| Total Expenses | $837,147 | 42.1% | $6,976 |
| | | | |
| Net Operating Income | $1,161,082 | 58.5% | $9,676 |
| | | | |
| Capital Reserve | $36,000 | 1.8% | $300 |
| Extraordinary Capital Items | $0 | 0.0% | $0 |
| Total Capital Expenses | $36,000 | 1.8% | $300 |
| | | | |
| Total Expenses Incl Cap'l Expenses | $873,147 | 43.7% | $7,276 |
| | | | |
| Net Cash Flow (NOI w/Cap'l Expenses) | $1,125,082 | 56.3% | $9,376 |

| | |
|---|---|
| First Mortgage Debt Service | 946,186 |
| First Mortgage DSCR | 1.19 |
| Surtax DS | 30,000 |
| Total DSCR | 1.15 |

Pillar

**Liberty Square - Phase 4D**

**Preliminary Loan Sizing**

| | |
|---|---|
| # Units | 240 |
| Loan Amount | $ 34,900,000 |
| | |
| 10-yr Treasury Rate (assumed at closing) | 2.00% |
| Spread (assumed at closing) | 2.74% |
| Total Rate (assumed at closing) | 4.74% |

| INCOME | Loan Sizing | | |
|---|---|---|---|
| | Amount | % | $/Unit |
| Gross Potential Rent | $4,227,552 | 100.0% | $17,615 |
| Vacancy | -$255,093 | 6.0% | ($1,063) |
| Bad Debt/Collection Loss | $0 | 0.0% | $0 |
| Concessions | $0 | 0.0% | $0 |
| Baseline Adjustment (PHA Asset Mgmt Fee) | $0 | 0.0% | $0 |
| Net Rental Income | $3,972,459 | 100.0% | $16,552 |
| | | | |
| Commercial Income | $0 | 0.0% | $0 |
| Commercial Vacancy | $0 | 0.0% | $0 |
| Net Commercial Income | $0 | 0.0% | $0 |
| | | | |
| Laundry/Vending | $0 | 0.0% | $0 |
| Parking | $0 | 0.0% | $0 |
| Other Income | $24,000 | 0.6% | $100 |
| Effective Gross Income | $3,996,459 | 100.6% | $16,652 |
| | | | |
| Real Estate Taxes | $303,448 | 7.6% | $1,264 |
| Property Insurance | $144,000 | 3.6% | $600 |
| Utilities | $144,000 | 3.6% | $600 |
| Repairs and Maintenance | $240,000 | 6.0% | $1,000 |
| Management Fee | $239,788 | 6.0% | $999 |
| Payroll and Benefits | $336,000 | 8.5% | $1,400 |
| Marketing | $24,000 | 0.6% | $100 |
| Professional Fees | $24,000 | 0.6% | $100 |
| General and Administrative | $36,000 | 0.9% | $150 |
| Other Expenses (Resident Services) | $50,000 | 1.3% | $208 |
| Ground Rent | $0 | 0.0% | $0 |
| Total Expenses | $1,541,236 | 38.6% | $6,422 |
| | | | |
| Net Operating Income | $2,455,223 | 61.8% | $10,230 |
| | | | |
| Capital Reserve | $72,000 | 1.8% | $300 |
| Extraordinary Capital Items | $0 | 0.0% | $0 |
| Total Capital Expenses | $72,000 | 1.8% | $300 |
| | | | |
| Total Expenses Incl Cap'l Expenses | $1,613,236 | 40.4% | $6,722 |
| | | | |
| Net Cash Flow (NOI w/Cap'l Expenses) | $2,383,223 | 59.6% | $9,930 |

| | |
|---|---|
| First Mortgage Debt Service | 2,044,700 |
| First Mortgage DSCR | 1.17 |
| Surtax DS | 17,000 |
| Total DSCR | 1.16 |

## SECTION 3.11.A) PROJECT FINANCE APPROACH – PHASE 3B

Pro Forma

Construction Lender Firm Commitment

Construction Lender Underwriting

Equity Firm Commitment

Equity Underwriting

Permanent Lender Firm Commitment

Permanent Lender Underwriting

# Liberty Square Rising - Phase 3B
## EXECUTIVE SUMMARY

Address

Miami, FL

Total Units 144

| SOURCES | Construction Source of Funds | Per Unit | Permanent Source of Funds | Per Unit |
|---|---|---|---|---|
| Tax Credit Equity: | 4,128,785 | 28,672 | 13,762,617 | 95,574 |
| Bonds | 16,000,000 | 111,111 | 4,000,000 | 27,778 |
| HOME | 2,200,000 | 15,278 | 2,200,000 | 15,278 |
| FHFC HOME | 5,000,000 | 34,722 | 5,000,000 | 34,722 |
| FHLB | 1,000,000 | 6,944 | 1,000,000 | 6,944 |
| County GOB | 3,300,000 | 22,917 | 3,300,000 | 22,917 |
| County CFFP | 1,600,000 | 11,111 | 1,600,000 | 11,111 |
| Deferred Developer Fee: | 2,307,989 | 16,028 | 438,663 | 3,046 |
| **TOTAL** | **35,536,774** | **246,783** | **31,301,280** | **217,370** |

| USES | | Total | Per Unit |
|---|---|---|---|
| **Acquisition** | | | |
| Acquisition Costs | | 360,000 | 2,500 |
| **Construction** | | | |
| Residential Construction | | 15,696,000 | 109,000 |
| YMCA | | 2,000,000 | |
| GC Fees | 14% | 2,477,440 | |
| Hard Cost Contingency | 5% | 1,008,672 | |
| Total Construction | | 21,182,112 | 147,098 |
| **Soft Costs** | | | |
| Accountant Cost Cert: | | 50,000 | |
| Third party (appraisal, inspections, survey etc.) | | 56,500 | |
| Environmental | | 10,000 | |
| Architectural & Engineering | | 601,000 | |
| Tenant Relocation | | 260,000 | |
| Other Project Soft Costs | | 1,687,062 | |
| Developer Legal Costs | | 180,000 | |
| Financing Costs - Issuance & Origination | | 385,480 | |
| Financing Legal Costs | | 210,000 | |
| Equity Syndication Costs | | 354,941 | |
| Replacement Reserve: | | 43,200 | |
| Lease Up Reserve | | 67,282 | |
| Operating Subsidy Reserve | | 255,347 | |
| Operating Deficit Reserve | | 265,390 | |
| Debt Reserve: | | 549,760 | |
| Soft Cost Contingency | 5% | 167,228 | |
| Soft Costs | | 5,143,190 | 35,717 |
| **TOTAL COSTS before Developer Fee** | | **26,685,302** | **185,315** |
| Developer Fee | | 4,615,978 | 32,055 |
| **TOTAL COSTS** | | **31,301,280** | **217,370** |
| **Total Development Costs Excluding Land** | | **30,941,280** | **214,870** |

**SCHEDULE OF FORECASTED BASE-YEAR REVENUES AND EXPENSES**

**Project:** Liberty Square Rising - Phase 3B
**Project County:** Miami Dade

| Income Level Served | Number of BRs | Number of Units | Pro Forma Rent | Annual Rent |
|---|---|---|---|---|
| **PHA** | 1 | 4 | 596.08 | 28,612 |
| **PHA** | 2 | 42 | 596.08 | 300,424 |
| **PHA** | 3 | 15 | 596.08 | 107,294 |
| **PHA** | 4 | 28 | 596.08 | 200,283 |
| **PHA** | 5 | 15 | 596.08 | 107,294 |
| **60%** | 1 | 10 | 706.00 | 84,720 |
| **60%** | 2 | 20 | 849.00 | 203,760 |
| **60%** | 3 | 10 | 981.00 | 117,720 |
| **Totals** | | 144 | | 1,150,108 |

| ANNUAL OPERATING | | CURRENT Annual | Annual Rents / Unit |
|---|---|---|---|
| Public Housing Units[1] | | 743,908 | 5,166 |
| Affordable Rents | | 406,200 | 2,821 |
| Total Gross Potential Rental Revenue | | **1,150,108** | **7,987** |
| Miscellaneous Revenue | | 14,400 | 100 |
| **Gross Potential Income** | | **1,164,508** | **8,087** |
| Vacancy and Collection Loss[2] | 6% | 33,465 | 232 |
| PHA Asset Management Fee | 5% | 30,338 | 211 |
| **EFFECTIVE GROSS INCOME (EGI)** | | **1,100,705** | **7,644** |
| General & Administrative | | 21,600 | 150 |
| Payroll | | 201,600 | 1,400 |
| Utilities | | 86,400 | 600 |
| Marketing | | 14,400 | 100 |
| Maintenance & repairs | | 50,400 | 350 |
| Security | | 50,400 | 350 |
| Service contracts | | 43,200 | 300 |
| Resident Services | | 65,000 | 451 |
| Management Fee | | 66,042 | 459 |
| Professional services | | 14,400 | 100 |
| **Subtotal - Controllable** | | 613,442 | 4,260 |
| Real Estate Taxes | | 68,169 | 473 |
| Property and Liability Ins. | | 86,400 | 600 |
| **Subtotal - Taxes & Insurance** | | 154,569 | 1,073 |
| **Total Annual Operating Expenses & Reserves** | | **768,011** | **5,333** |
| Replacement Reserve Deposits | | 43,200 | 300 |
| **NET OPERATING INCOME (LOSS)** | | **$ 289,494** | **$ 2,010** |

NOTES

1.) Net of operating subsidy proration which was approximately 11% in 2014

2.) Vacancy & Collection based on 6% of tenant paid rent only.

OPERATING PROFORMA - Liberty Square Rising - Phase 3B

| Revenue | Growth | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 | Year 9 | Year 10 | Year 11 | Year 12 | Year 13 | Year 14 | Year 15 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Rental Income** | | | | | | | | | | | | | | | | |
| Tenant Rent | 3.0% | 137,155 | 141,270 | 145,508 | 149,873 | 154,369 | 159,000 | 163,770 | 168,684 | 173,744 | 178,956 | 184,325 | 189,855 | 195,551 | 201,417 | 207,460 |
| Operating Subsidy | 3.0% | 510,694 | 526,015 | 541,795 | 558,049 | 574,791 | 592,034 | 609,795 | 628,089 | 646,932 | 666,340 | 686,330 | 706,920 | 728,128 | 749,971 | 772,471 |
| Utility Subsidy | 3.0% | 96,059 | 98,940 | 101,909 | 104,966 | 108,115 | 111,358 | 114,699 | 118,140 | 121,684 | 125,335 | 129,095 | 132,968 | 136,957 | 141,065 | 145,297 |
| Affordable Rents | 2.0% | 406,200 | 414,324 | 422,610 | 431,063 | 439,684 | 448,478 | 457,447 | 466,596 | 475,928 | 485,447 | 495,156 | 505,059 | 515,160 | 525,463 | 535,972 |
| **Total Rent Revenue** | | **1,150,108** | **1,180,549** | **1,211,822** | **1,243,951** | **1,276,959** | **1,310,871** | **1,345,712** | **1,381,509** | **1,418,288** | **1,456,078** | **1,494,905** | **1,534,801** | **1,575,795** | **1,617,917** | **1,661,200** |
| | | | 1.0265 | | | | | | | | | | | | | |
| **Rent Loss** | | | | | | | | | | | | | | | | |
| Vacancy and Collection Loss | 6.0% | 33,465 | 34,217 | 34,986 | 35,773 | 36,578 | 37,403 | 38,246 | 39,109 | 39,993 | 40,897 | 41,822 | 42,769 | 43,738 | 44,730 | 45,746 |
| PHA Asset Management Fee | 5.0% | 30,338 | 31,248 | 32,185 | 33,151 | 34,145 | 35,170 | 36,225 | 37,311 | 38,431 | 39,584 | 40,771 | 41,994 | 43,254 | 44,552 | 45,888 |
| **Total Rent Loss** | | **63,803** | **65,465** | **67,171** | **68,924** | **70,724** | **72,572** | **74,471** | **76,421** | **78,423** | **80,480** | **82,593** | **84,763** | **86,993** | **89,282** | **91,634** |
| | | | 1.0260 | | | | | | | | | | | | | |
| **Other Revenue** | | | | | | | | | | | | | | | | |
| Miscellaneous Revenue | 2.0% | 14,400 | 14,688 | 14,982 | 15,281 | 15,587 | 15,899 | 16,217 | 16,541 | 16,872 | 17,209 | 17,554 | 17,905 | 18,263 | 18,628 | 19,000 |
| **Total Other Revenue** | | **14,400** | **14,688** | **14,982** | **15,281** | **15,587** | **15,899** | **16,217** | **16,541** | **16,872** | **17,209** | **17,554** | **17,905** | **18,263** | **18,628** | **19,000** |
| | | | 1.0200 | | | | | | | | | | | | | |
| **Total Revenue** | | **1,100,705** | **1,129,772** | **1,159,633** | **1,190,308** | **1,221,822** | **1,254,197** | **1,287,458** | **1,321,629** | **1,356,737** | **1,392,806** | **1,429,866** | **1,467,942** | **1,507,065** | **1,547,262** | **1,588,566** |
| **Expenses** | | | | | | | | | | | | | | | | |
| General & Administrative | 3.0% | 21,600 | 22,248 | 22,915 | 23,603 | 24,311 | 25,040 | 25,792 | 26,565 | 27,362 | 28,183 | 29,029 | 29,899 | 30,796 | 31,720 | 32,672 |
| Payroll | 3.0% | 201,600 | 207,648 | 213,877 | 220,294 | 226,903 | 233,710 | 240,721 | 247,943 | 255,381 | 263,042 | 270,934 | 279,062 | 287,433 | 296,056 | 304,938 |
| Utilities | 3.0% | 86,400 | 88,992 | 91,662 | 94,412 | 97,244 | 100,161 | 103,166 | 106,261 | 109,449 | 112,732 | 116,114 | 119,598 | 123,186 | 126,881 | 130,688 |
| Marketing | 3.0% | 14,400 | 14,832 | 15,277 | 15,735 | 16,207 | 16,694 | 17,194 | 17,710 | 18,241 | 18,789 | 19,352 | 19,933 | 20,531 | 21,147 | 21,781 |
| Maintenance & repairs | 3.0% | 50,400 | 51,912 | 53,469 | 55,073 | 56,726 | 58,427 | 60,180 | 61,986 | 63,845 | 65,761 | 67,733 | 69,765 | 71,858 | 74,014 | 76,235 |
| Security | 3.0% | 50,400 | 51,912 | 53,469 | 55,073 | 56,726 | 58,427 | 60,180 | 61,986 | 63,845 | 65,761 | 67,733 | 69,765 | 71,858 | 74,014 | 76,235 |
| Service contracts | 3.0% | 43,200 | 44,496 | 45,831 | 47,206 | 48,622 | 50,081 | 51,583 | 53,131 | 54,724 | 56,366 | 58,057 | 59,799 | 61,593 | 63,441 | 65,344 |
| Resident Services | 3.0% | 65,000 | 66,950 | 68,959 | 71,027 | 73,158 | 75,353 | 77,613 | 79,942 | 82,340 | 84,810 | 87,355 | 89,975 | 92,674 | 95,455 | 98,318 |
| Management Fee | 3.0% | 66,042 | 68,024 | 70,064 | 72,166 | 74,331 | 76,561 | 78,858 | 81,224 | 83,660 | 86,170 | 88,755 | 91,418 | 94,161 | 96,985 | 99,895 |
| Professional services | 3.0% | 14,400 | 14,832 | 15,277 | 15,735 | 16,207 | 16,694 | 17,194 | 17,710 | 18,241 | 18,789 | 19,352 | 19,933 | 20,531 | 21,147 | 21,781 |
| Real Estate Taxes | 3.0% | 68,169 | 70,214 | 72,320 | 74,490 | 76,725 | 79,027 | 81,397 | 83,839 | 86,354 | 88,945 | 91,613 | 94,362 | 97,193 | 100,108 | 103,112 |
| Insurance | 3.0% | 86,400 | 88,992 | 91,662 | 94,412 | 97,244 | 100,161 | 103,166 | 106,261 | 109,449 | 112,732 | 116,114 | 119,598 | 123,186 | 126,881 | 130,688 |
| **Total Cost of Operations** | | **768,011** | **791,052** | **814,783** | **839,227** | **864,403** | **890,336** | **917,046** | **944,557** | **972,894** | **1,002,080** | **1,032,143** | **1,063,107** | **1,095,000** | **1,127,850** | **1,161,686** |
| **Replacement Reserve Deposits** | 1.5% | **43,200** | **43,848** | **44,506** | **45,173** | **45,851** | **46,539** | **47,237** | **47,945** | **48,664** | **49,394** | **50,135** | **50,887** | **51,651** | **52,425** | **53,212** |
| **Net Operating Income** | | **289,494** | **294,873** | **300,344** | **305,909** | **311,568** | **317,323** | **323,176** | **329,127** | **335,179** | **341,332** | **347,587** | **353,948** | **360,414** | **366,987** | **373,668** |
| **Debt Service - Hard** | | | | | | | | | | | | | | | | |
| First Mortgage | Rate | | | | | | | | | | | | | | | |
| *Interest Payments* | 4.74% | 188,615 | 186,399 | 184,076 | 181,641 | 179,088 | 176,411 | 173,604 | 170,661 | 167,576 | 164,341 | 160,950 | 157,394 | 153,666 | 149,757 | 145,659 |
| *Principal Payments* | | 45,735 | 47,950 | 50,273 | 52,708 | 55,262 | 57,939 | 60,746 | 63,688 | 66,774 | 70,008 | 73,400 | 76,956 | 80,684 | 84,592 | 88,690 |
| Total | | 234,350 | 234,350 | 234,350 | 234,350 | 234,350 | 234,350 | 234,350 | 234,350 | 234,350 | 234,350 | 234,350 | 234,350 | 234,350 | 234,350 | 234,350 |
| **Hard Pay Debt Service** | | **234,350** | **234,350** | **234,350** | **234,350** | **234,350** | **234,350** | **234,350** | **234,350** | **234,350** | **234,350** | **234,350** | **234,350** | **234,350** | **234,350** | **234,350** |
| *DSCR* | | *1.24* | *1.26* | *1.28* | *1.31* | *1.33* | *1.35* | *1.38* | *1.40* | *1.43* | *1.46* | *1.48* | *1.51* | *1.54* | *1.57* | *1.59* |
| CFFP | | | | | | | | | | | | | | | | |
| *Interest Payments* | 1.00% | 16,000 | 16,000 | 16,000 | 16,000 | 16,000 | 16,000 | 16,000 | 16,000 | 16,000 | 16,000 | 16,000 | 16,000 | 16,000 | 16,000 | 16,000 |
| *Principal Payments* | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total | | 16,000 | 16,000 | 16,000 | 16,000 | 16,000 | 16,000 | 16,000 | 16,000 | 16,000 | 16,000 | 16,000 | 16,000 | 16,000 | 16,000 | 16,000 |
| **Total Debt Service** | | 250,350 | 250,350 | 250,350 | 250,350 | 250,350 | 250,350 | 250,350 | 250,350 | 250,350 | 250,350 | 250,350 | 250,350 | 250,350 | 250,350 | 250,350 |
| *All-In DSCR* | | *1.16* | *1.18* | *1.20* | *1.22* | *1.24* | *1.27* | *1.29* | *1.31* | *1.34* | *1.36* | *1.39* | *1.41* | *1.44* | *1.47* | *1.49* |
| **Before Tax Cash Flow** | | 39,144 | 44,523 | 49,994 | 55,559 | 61,218 | 66,973 | 72,826 | 78,777 | 84,829 | 90,982 | 97,238 | 103,598 | 110,064 | 116,637 | 123,318 |
| **Deferred Developer Fee Balance** | | 438,663 | 404,519 | 365,146 | 320,456 | 270,360 | 214,770 | 153,593 | 86,737 | 14,109 | - | - | - | - | - | - |
| LP Asset Management Fee: | 3.0% | 5,000 | 5,150 | 5,305 | 5,464 | 5,628 | 5,796 | 5,970 | 6,149 | 6,334 | 6,524 | 6,720 | 6,921 | 7,129 | 7,343 | 7,563 |
| Deferred Developer Fee and Interest: | | 34,144 | 39,373 | 44,690 | 50,095 | 55,591 | 61,177 | 66,856 | 72,628 | 14,109 | - | - | - | - | - | - |
| **Cash Flow after Developer Fee** | | - | - | - | - | - | - | - | - | 64,386 | 84,458 | 90,518 | 96,677 | 102,935 | 109,294 | 115,756 |

Bank of America
Merrill Lynch

February 4, 2016

**Mr. Albert Milo, Jr.**
**Vice President**
**315 S. Biscayne Blvd.**
**Miami, Fl 33131**

Re: Liberty Square Rising Phase 3B
Miami, Fl

Dear Mr. Milo:

This letter will serve as an outline of the terms under which Bank of America (the "Bank") would offer construction tax-exempt bond financing. This commitment is contingent upon credit approval and completion of the underwriting and due diligence process, including without limitation receipt of appraisals, environmental reports, Bank's engineer's reports and all final budgets and operating pro forma, all satisfactory to Bank in its sole and absolute discretion. Bank shall have no obligations hereunder if any of the conditions set forth therein are not satisfied as Bank requires in its sole and absolute discretion. All funding agreements for the Project shall be in form and substance acceptable to Bank in its sole discretion. We reserve the right to modify and/or add to any terms described in this letter following receipt and review of due diligence materials. The following is intended to summarize the structure and basic terms and conditions (subject to modification upon completion of due diligence by Bank) upon which Bank will provide the financing described herein and is not an inclusive statement of all provisions, documents or requirements of a closing. This commitment shall be null and void and of no further effect if not executed and returned on or before February 18, 2016.

**The proposed terms and conditions are as follows:**

| | |
|---|---|
| **Borrower:** | A to be formed single purpose entity, affiliate of RUDG, LLC.—form and substance of Borrower must be acceptable to the Bank. |
| **Guarantors:** | 100% guarantee of completion, performance and repayment to be provided by PRH Investments, LLC. For borrowers that are single-asset entities, principal(s) with general liability or guarantor(s) acceptable to the Bank must be jointly and severally liable for completion of the project and repayment of the financing, including interest and costs. Guarantors to have financial covenants that include minimum net worth and liquidity—TBD. |
| **Purpose:** | To enable Borrower to construct a total of 144 apartment units known as Liberty Square Rising Phase 3B in Miami Dade County, Florida. |
| **Program:** | Construction financing through Bank's Special Bond Offering product ("SBO"), a proprietary private placement tax-exempt bond product. |

Bank will purchase no more than $16,000,000 in floating rate tax-exempt bonds ("Bonds") issued through the Miami Dade County Housing Finance Authority ("Issuer"). The debt service on the Bonds will be interest-only at a floating rate until the date that is 24 months after the closing date (the "Conversion Date"), in order to allow for construction and lease-up.

The SBO can be used in a full-sale or draw-down bond scenario provided this latter structure is acceptable to the Issuer. Repayment must occur not later than the Conversion Date, provided that such deadline may be extended for 6 additional months upon satisfaction of the following conditions: (a) No less than 30 but no more than 90 day written notice of intention to exercise the option; (b) No event of default having occurred or potential default occurring; (c) Performance hurdles have been met, including but not limited to, lien-free construction completion and lease up hurdles; (d) The loan is in balance, including sufficient interest reserve; (e) Project must demonstrate the ability to be able to convert/payoff Bank's loan within the 6-month extension period; (f) All co-construction loans mature or are extended concurrent or past the Bank's extension date; (g) All takeout commitments expire or are extended concurrent or past the Bank's extension date; (h) All investor commitments include terms or are modified to be consistent with the extension of the Bank's loan; (i) No material adverse change in the financial condition of the Project, Borrower, and Guarantor; (j) payment of an extension fee of 50 bps of the total commitment amount; and (k) rate adjustment or fee payment, as appropriate, to cover the cost of revising the forward rate lock, if any.

**Floating Rate:** A rate of LIBOR Daily Floating Rate + 2.25% prior to the Conversion Date.

**Issuer/Trustee Fees:** Borrower will pay all costs of issuance, including, without limitation, any upfront and/or ongoing issuer fees, all bond counsel fees, Issuer's counsel fees, if any, and all fees to the Trustee to close the issuance of the Bonds and administer the Bonds. These fees are not included in the above stated rates.

**Financing Fees**: 100 bps origination fee payable on initial Bond closing. Administrative fee of $5,000.

**LIHTC** Bank of America will need to approve the tax credit investor and pay-in schedule. The LIHTC limited partnership agreement must obligate the tax credit investor to make equity payments into the Project with no less than 20% of total LIHTC equity being invested at Bond closing, and with additional payments during construction satisfactory to Bank of America.

**Take Out Financing**: Take out commitment conditions must be acceptable to the Bank, and may include a requirement for interest rate protection. Borrower and any person or entity that at any time provides a guaranty of Borrower's obligations in respect of such interest rate protection (including but not

limited to any general partner of any thereof) will be required to be an "eligible contract participant" as such term is defined in the Commodity Exchange Act (7 U.S.C. § 1 et seq.), as amended from time to time, and any successor statute.

**Loan to Value:**

An independent appraisal must support all bank underwriting conclusions, including but not limited to a loan-to-value ratio satisfactory to bank based upon the completed and stabilized restricted value of the subject real estate plus any value ascribed to other acceptable collateral including, but not limited to, cash collateral and Low Income Housing Tax Credits.

**Security:** A first priority (i) mortgage and security interest in the Project; (ii) security interest in all personal property used in conjunction with the construction, operation and maintenance of the Project; (iii) assignment of all leases and rents; (iv) assignment of all construction, architect, and engineering contracts; (v) assignment of all permits, licenses and agreements; (vi) assignment of interests in the Borrower; (vii) pledge of reserve accounts;

**Other Conditions** 1) Miami Dade County GOB, HOME, SAIL and/or any additional source of funds to close simultaneously with the subject loan closing, demonstrate funds readily available and not subject to future appropriations or approvals and be subordinate to bank financing as documented in an agreement acceptable to the bank. Timing of disbursement of said funds to be acceptable to the bank.
2) Intercreditor agreement, acceptable to the bank, to be executed by all parties providing funds for the construction and completion of the subject property

**Environmental:** Environmental indemnity to be obtained in form and substance approved by the Bank.

**General Contractor:** General contractor to be acceptable to the bank and provide payment and performance bond or letter of credit equal to 10% of the contract amount, which letter of credit issuer and format must be acceptable to the bank.

**Fees and Expenses:** Borrower will pay all reasonable costs incurred by the Bank in connection with the financing including, but not limited to, legal, environmental, front end costs and document review/inspections, physical needs assessment (for existing projects only) and appraisal. Borrower acknowledges that Bank may receive a benefit, including, without limitation, a discount, credit or other accommodation, from outside counsel based on the fees such counsel may receive on account

of their relationship with Bank including, without limitation, fees paid pursuant hereto.

**Reporting Requirements:** Annually: Borrower and Guarantors' financial statements and covenant compliance.

Semi-Annually: Guarantors' financial statements and covenant compliance.

Monthly: Property operating statements and rental summary report.

**Know Your Customer:** Within five (5) business days of opening an account with Bank, Borrower shall have delivered to Bank all due diligence materials necessary and relevant to verifying Borrower's identity and background information, as deemed necessary by Bank in its sole and absolute discretion.

**Principal Depository:** Borrower shall maintain Bank of America, N.A. as its principal depository bank, including for the maintenance of business, cash management, operating and administrative deposit accounts.

**Other Requirements:** All of the following to be acceptable to the Bank: documentation and submissions that are standard for loans of this type including, but not limited to, appraisal, ESA, legal documentation, insurance, title/survey, proposed standard lease form, front-end cost and document reviews and acceptance of final budget (includes adequate contingency, interest carry/operating deficit reserve, etc.), review of plans/specs, condition of markets/submarkets, revenue/expenses pro-formas, financial review of Borrower, Guarantor, and general contractor, management agreement and subordination; and (as applicable), proof of tax credit award, equity investor and pay-in schedule, proof of tax-exempt status with respect to ad valorem taxes and other terms and conditions as may be required.

**Confidentiality:** This document is strictly confidential and may not be shared with anyone else other than the owners of Borrower and Miami Dade County Public Housing and Community Development Staff.

**Material Adverse Change:** Bank of America's obligations hereunder shall terminate if, prior to closing, Bank of America determines, in its sole judgment, that there shall exist any conditions regarding the property, or the operations, business, assets, liabilities or condition (financial or otherwise, including credit rating) of Borrower or Guarantor, or there shall have occurred a material adverse change in, or there shall exist any material adverse conditions in, the market for syndicated bank credit facilities or the financial, banking, credit or debt capital markets generally, that could be

expected to cause the loan to become delinquent or prevent any guarantor from performing its obligations under any guaranty or to materially and adversely affect the value or marketability of the loan or the property or Bank of America's ability to syndicate the loan or the viability of obtaining permanent financing for the Project.

**Assumptions made:** The terms discussed herein are presented, based on the credit conditions in the potential transaction as known by Bank of America. Should additional facts come to light that positively or negatively impact the situation, prices or other requirements quoted here may be adjusted.

**Expiration:** This letter will expire at 5:00 p.m. on that date which is ten (10) business days from the date hereof unless you execute this letter and return it to us prior to that time, which may be by facsimile transmission.

The undersigned acknowledges and agrees that: (i) the transaction contemplated by this letter is an arm's length, commercial transaction between you and Bank in which Bank is acting solely as a principal and for its own interest; (ii) Bank is not acting as a municipal advisor or financial advisor to you; (iii) Bank has no fiduciary duty pursuant to Section 15B of the Securities Exchange Act of 1934 to you with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto (irrespective of whether Bank has provided other services or is currently providing other services to you on other matters); (iv) the only obligations Bank has to you with respect to the transaction contemplated hereby expressly are set forth in this letter; and (v) Bank is not recommending that you take an action with respect to the transaction contemplated by this letter, and before taking any action with respect to the contemplated transaction, you should discuss the information contained herein with its own legal, accounting, tax, financial and other advisors, as it deems appropriate. If you would like a municipal advisor in this transaction that has legal fiduciary duties to you, you are free to engage a municipal advisor to serve in that capacity. This letter is provided to you pursuant to and in reliance upon the "bank exemption" provided under the municipal advisor rules of the Securities and Exchange Commission, Rule 15Ba1-1 et seq.

Please review the above terms and conditions and feel free to call me with any questions or comments you may have. If you find the above terms and conditions to be acceptable, please indicate so by signing below and returning a faxed copy to my attention by February 18, 2016. When you return the signed copy of this letter, please confirm that the Bond amount is acceptable. Upon receipt of the letter, the Bank will proceed with the necessary due diligence to prepare and submit your loan request, provided, however that in any event, this letter will finally expire at 5:00 pm on that date which is one hundred and eighty (180) days from the date hereof. I look forward to hearing from you and working with you on this and other transactions.

If you have any questions or comments, please do not hesitate to give me a call at 954-765-2188.

Sincerely,

**Diane L. Ross, Senior Vice President**
**Bank of America Merrill Lynch**
**401 E. Las Olas Blvd, Suite 900**
**Ft Lauderdale, Fl 33301**
**PH 954-765-2188**

---

Accept the terms as outlined above:

Name: Gilbert Marshall
Title: Senior Vice President
Date: 2/4/16

## CONSTRUCTION PHASE 3B

| Per Sq Ft | Per Unit | MASTER BUDGET<br>Line Item | GROSS BUDGET | DEFERRED USES | NET CONSTRUCTION BUDGET |
|---|---|---|---|---|---|
| | 2,500 | Land Value | 360,000 | | 360,000 |
| | | Other Acquisition Costs | | | - |
| | **2,500** | **TOTAL LAND COSTS** | **360,000** | - | **360,000** |
| | | Off Site Improvements | | | - |
| | | **TOTAL SITE WORK** | - | - | - |
| | 104,000 | Construction - Residential | 14,976,000 | | 14,976,000 |
| | 13,889 | Construction - Commercial | 2,000,000 | | 2,000,000 |
| | 5,000 | Other Non-Eligible (Carports, storage) | 720,000 | | 720,000 |
| | 2,458 | General Requirements | 353,920 | | 353,920 |
| | 7,373 | Contractor Overhead | 1,061,760 | | 1,061,760 |
| | **7,373** | Contractor Profit | 1,061,760 | | 1,061,760 |
| | 1,335 | builders risk | 192,228 | | 192,228 |
| | **923** | P&B Bonds | 132,954 | | 132,954 |
| | 1,389 | FF&E | 200,000 | | 200,000 |
| | 7,005 | **Construction Contingency** | 1,008,672 | | 1,008,672 |
| | 150,745 | **TOTAL HARD COSTS** | **21,707,294** | - | **21,707,294** |
| | 3,818 | **Interest Reserve** | 549,760 | | 549,760 |
| | 323 | Const Loan Inspection | 46,500 | | 46,500 |
| | 1,389 | Const Loan Origination Fee | 200,000 | | 200,000 |
| | 1,071 | Const Title & Recording | 154,220 | | 154,220 |
| | 1,000 | Other const. loan cost (describe) | 144,000 | | 144,000 |
| | | Perm Loan Origination Fee | | | - |
| | 69 | Perm Conversion Fee | 10,000 | | 10,000 |
| | | Perm Lender Commitment Fee | | | - |
| | | Perm Lender Closing Costs | | | - |
| | | Perm Title & Recording | | | - |
| | | B of A Lender Legal | | | - |
| | | Other Loan Costs | | | - |
| | 1,069 | Other Loan Costs - Bond Issuance and Und. | 153,980 | | 153,980 |
| | | Upfront LC Fees | | | - |
| | | Annual LC Fee | | | - |
| | 8,739 | **TOTAL INTERIM FINANCING COSTS** | **1,258,460** | - | **1,258,460** |
| | 2,465 | T.Credit Application & Monitoring Fees | 354,941 | | 354,941 |
| | 347 | Marketing | 50,000 | | 50,000 |
| | 347 | Accounting | 50,000 | | 50,000 |
| | | Equity Legal paid by Bank | | | - |
| | 3,159 | **TOTAL ORG COSTS, START-UP** | **454,941** | - | **454,941** |
| | 300 | Replacement Reserves | 43,200 | 43,200 | - |
| | 1,773 | Operating Reserve | 255,347 | 255,347 | - |
| | 349 | Leasing/Other Reserves | **50,240** | 50,240 | - |
| | 1,843 | Other Reserves | 265,390 | 265,390 | - |
| | 4,265 | **TOTAL RESERVES** | **614,177** | **614,177** | - |
| | | Tax Credit Consultant | | | - |
| | 32,055 | Developer Fees | 4,615,978 | 2,307,989 | 2,307,989 |
| | 32,055 | **TOTAL FEES** | **4,615,978** | **2,307,989** | **2,307,989** |
| | 100 | Insurance | 14,400 | | 14,400 |
| | 1,200 | Utilities | 172,800 | | 172,800 |
| | 118 | Taxes | 17,042 | | 17,042 |
| | 2,708 | Legal | 390,000 | | 390,000 |
| | 1,806 | Tenant Relocation | 260,000 | | 260,000 |
| | 3,174 | Architect | 457,000 | | 457,000 |
| | 69 | Survey & Engineering | 10,000 | | 10,000 |
| | 104 | Appraisal & Mkt Study | 15,000 | | 15,000 |
| | 1,229 | Permits | 176,960 | | 176,960 |
| | 69 | Enviromental Surveys | 10,000 | | 10,000 |
| | 694 | Project Administration | 100,000 | | 100,000 |
| | **3,472** | Other Soft Costs | 500,000 | | 500,000 |
| | **1,161** | Soft Cost Contingency | 167,228 | | 167,228 |
| | **15,906** | **TOTAL SOFT COSTS** | **2,290,430** | - | **2,290,430** |
| | **217,370** | **TOTAL PROJECT COSTS** | **31,301,280** | **2,922,166** | **28,379,114** |

| Timing During Construction | SOURCES THROUGH CONSTRUCTION PHASE | | | |
|---|---|---|---|---|
| | | | Gross Loan | 16,000,000 |
| | | | Loan Holdback | |
| | | | **Net after Holdback** | **16,000,000** |
| | **CONDITIONS** | **ILP** | **Other** | |
| Upfront | ILP | 4,128,785 | | 4,128,785 |
| Construction | HOME | | 2,200,000 | 2,200,000 |
| Construction | FHFC HOME | | 5,000,000 | 5,000,000 |
| Construction | FHLB | | 1,000,000 | 1,000,000 |
| Construction | County GOB | | 3,300,000 | 3,300,000 |
| Construction | County CFFP | | 1,600,000 | 1,600,000 |
| | **GIC Income** | | | - |
| | **NOI** | | | - |
| | | | **TOTAL SOURCES THROUGH COMPLETION** | **33,228,785** |
| | | | **SURPLUS DURING CONSTRUCTION PHASE =** | **4,849,671** |

**COMPLETION THROUGH CONVERSION PHASE**

| See comment | USES AT COMPLETION THROUGH CONVERSION: | DEFERRALS DURING CONSTRUCTIO | DEFERRALS THROUGH CONVERSION | NET USES THIS PHASE |
|---|---|---|---|---|
| Discretionary Dev Fee | Developer | 2,307,989 | 438,663 | 1,869,326 |
| | Replacement Reserves | 43,200 | | 43,200 |
| | Operating Reserve | 255,347 | | 255,347 |
| | Leasing/Other Reserves | 50,240 | | 50,240 |
| | Other Reserves | 265,390 | | 265,390 |
| | **TOTAL COSTS AT COMPLETION THROUGH CONV** | **2,922,166** | **438,663** | **2,483,503** |
| | | - | | |

| Timing At Completion Through Conversion | SOURCES AT COMPLETION THROUGH CONVERSION | | | |
|---|---|---|---|---|
| | Takeout loan (term loan minus term-lender's imposed holdbacks, if any) | | | 4,000,000 |
| | | | **SUM OF ABOVE** | **4,000,000** |
| er Lien-Free Complet | | **ILP** | **Other** | |
| 8609 | Loan increase or paydown, if any | | (12,000,000) | (12,000,000) |
| | ILP Completion | - | | - |
| | ILP 8609 | 9,633,832 | | 9,633,832 |
| | **GIC Income** | | | - |
| | **NOI** | | | - |
| | **TOTAL SOURCES AFTER COMPLETION THROUGH CONVERSION** | | | **(2,366,168)** |
| | **< SHORTAGE DURING CONVERSION PHASE > =** | | | **(4,849,671)** |
| | **<CUMULATIVE SHORTAGE> =** | | | **(0)** |

**SUMMARY**

| GROSS USES = 31,301,280 | | | |
|---|---|---|---|
| | Construction Phase | Change during Conversion Phase | Cumulative |
| **Deferrals** | 2,922,166 | (2,483,503) | 438,663 |
| **NET USES** | 28,379,114 | 2,483,503 | 30,862,617 |
| **SOURCES** | 33,228,785 | (2,366,168) | 30,862,617 |
| **SURPLUS < SHORTAGE >** | 4,849,671 | (4,849,671) | (0) |

**SUMMARY TAX CREDIT INVESTOR PAYMENT SCHEDULE**

| Conditions | Payment Amount | Percentage of ILP | Cumulative |
|---|---|---|---|
| ILP | 4,128,785 | 30% | 30% |
| | - | | |
| ILP Completion | - | 0% | 30% |
| ILP 8609 | 9,633,832 | 70% | 100% |
| ILP Contributions after conversion, if any | - | | |
| **TOTAL** | **$13,762,617** | **100%** | |

| Timing of Developer Fee Payments | DEVELOPER FEE DISBURSEMENT SCHEDULE | | | |
|---|---|---|---|---|
| | **Conditions** | **Payment Amount** | **Percentage** | **Cumulative** |
| Upfront | Closing | 2,307,989 | 50% | 50% |
| | @ 100% project completion | | 0% | 50% |
| | Paid from equity installment at 8609s | 1,869,326 | 40% | 90% |
| | Deferred | 438,663 | 10% | 100% |
| | **TOTAL** | **$4,615,978** | **100%** | |

HUDSON
HOUSING CAPITAL

February 4, 2016

Mr. Alberto Milo, Jr.
RUDG, LLC
315 S. Biscayne Blvd
Miami, FL 33131

Re: **Liberty Square Rising Phase 3B, Miami, FL**
**A to be formed singled purpose entity, an affiliate of RUDG, LLC (the "Company")**

Dear Albert:

Thank you for providing Hudson Housing Capital LLC ("Hudson") with the opportunity to extend a purchase offer for the limited membership interest in the Company that will own Liberty Square Rising Phase 3B.

Hudson is a Delaware limited liability company formed to directly acquire limited membership/partnership interests in companies/partnerships which own apartment complexes qualifying for low-income housing tax credits ("Tax Credits") under Section 42 of the Internal Revenue Code of 1986, as amended (the "Code").

Set forth is our proposal as to the basic business terms under which Hudson or its designee ("Investor") will acquire a 99.99% limited membership interest in the Company which will own a 144-unit complex in Miami, Florida (the "Property"). You have advised us that RUDG, LLC (the "Developer") will be the developer of the Property and a to-be formed single purpose entity, an affiliate of RUDG, LLC (the "Manager") will be the Manager of the Company. Subject to review of financials, entities acceptable to Hudson shall guarantee the obligations of the Manager (the "Guarantor"). An affiliate of the Investor will be admitted to the Company as a special member (the "Special Member", "SM") with limited supervisory rights

You have also advised us that the Property will apply for an as-of right Tax Credit allocation of credits from The Florida Housing Finance Corporation of $1,228,928, 4% Tax Credits per year. All 144 units will qualify for Tax Credits. 104 units will be public housing subsidized pursuant to an annual contributions contract (the "Annual Contributions Contract". "ACC").

## *I. Equity Investment*

The Investor will contribute to the Company a total of $13,762,617 (the "Total Equity"), or approximately $1.12 (the "Tax Credit Ratio") per total Tax Credit available to the Investor, payable in the following installments:

| Contribution | Contribution % | Description/Timing |
|---|---|---|
| First | 30% | At closing and through construction (see detail below) |
| Second | 60% | Breakeven (Stabilization) |
| Third | 10% | Forms 8609 |

*a.* ***First Capital Contribution.*** The Investor will fund the First Capital Contribution as follows:

| Timing | Contribution |
|---|---|
| At closing | 10% |
| At 50% completion | 10% |
| At 75% completion | 10% |

*b.* ***Second Capital Contribution.*** The Second Capital Contribution will be paid upon the satisfaction of the conditions set forth in the Operating Agreement, which are principally as follows: (i) lien-free completion of construction of the Property substantially in accordance with the Plans and Specifications in a workmanlike manner approved by Hudson; (ii) issuance of Certificates of Occupancy for 100% of the units in the Property; (iii) receipt of final Tax Credit cost certification from independent accountants to the Company (the "Accountant") (the "Final Certification"); (iv) if not received at the Initial Closing, receipt of a tax credit determination letter for the Property; (v) receipt of a pay-off letter from the general contractor or sub-contractors, as applicable; and (vi) receipt of prior year's income tax returns in the event such returns are then due; (vii) qualification of 100% of the set-aside apartment units in the Property for Tax Credits; (viii) satisfactory financial condition of the Guarantor (no event of bankruptcy); and (ix) achievement of Breakeven level for three consecutive months (the "Breakeven Date").

"Breakeven" shall mean that, for each such month, occupancy is at least 95% and that Property income including ACC payments equals the greater of underwritten and actual expenses including replacement reserves, any land lease payments, reassessed taxes, assuming the greater of actual or a 5% vacancy rate. Any ACC payments due for each month of the Breakeven period though not funded at such time will be credited as income for that period for purposes of this Breakeven test provided that it is received by the end of such 3 month period.

c. ***Third Capital Contribution.*** The Third Capital Contribution will be paid upon satisfaction of the conditions set forth in the Operating Agreement, which are principally as follows: (i) receipt of Form 8609 with respect to all buildings constituting the Property; and (ii) receipt of a tax return and an audited financial statement for the year in which the Breakeven Date occurred.

In the event such tax return and audited financial statement are not due at such time, $15,000 of the Third Capital Contribution shall be held back and released upon receipt of such items.

Our offer assumes the following financing:

a. Construction period first mortgage loan in the approximate amount of $16,000,000.
b. Gap Funds in the approximate amount of $13,100,000.

## *II. Developer Fee*

The Developer shall receive a Developer Fee not to exceed the maximum allowable Developer Fee pursuant to Florida Housing Financing Corporation ("State Finance Agency") guidelines, to be paid on a schedule to be agreed upon. You have represented that the amount of the Developer Fee does not exceed the amount permitted to be paid by the State Finance Agency. Deferred developer fees shall be paid from available cash flow as detailed in Section V and shall bear interest at the AFR. Principal payments on the deferred developer fees shall commence with the funding of the Second Capital Contribution.

## *III. Property Management Fee*

The Manager may retain one of its affiliates to be the managing agent for the Property on commercially reasonable terms. The management agreement, to be approved by the Investor, shall have an initial term of 1 year and shall be renewable annually thereafter, shall provide for an annual management fee not to exceed the maximum allowable management fee pursuant to HUD guidelines, and shall otherwise be on commercially reasonable terms (including a termination right by the Manager in the event of fraud/gross negligence or material default by the Manager). If the managing agent is affiliated with the Manager, the management agreement shall provide for a deferral of up to 100% of the management fee in the event that the property does not generate positive Cash Flow.

## *IV. Intentionally Omitted*

## *V. Cash Flow Distributions*

Cash flow from the Property, after payment of operating expenses (including the Administrative Expense Reimbursement, current and any deferred property management fees from prior years, debt service), replenishment of required reserves (including any reserve payments which were not made due to insufficient cash flow) and payment of any tax liability incurred by the Investor ("Cash Flow"), shall be distributed annually (subsequent to the Breakeven Date) as follows:

a. to the payment of any Operating Deficit Loans, if any;
b. 90% of Cash Flow after Va. to payment of (i) the Developer Fees; and (ii) the balance (if any) to the Manager as a preferred return with an equivalent allocation of income;
c. the remainder to be split in accordance with Company interests.

## *VI. Sale or Refinancing Proceeds*

Net sale or refinancing proceeds (i.e., after payment of, outstanding debts, liabilities other than to the Manager and its affiliates and expenses of the Company and establishment of necessary reserves) shall be distributed as follows:

a. Repayment of outstanding loans by the limited members, if any;
b. Payment of amounts due to the limited members under the Tax Credit Adjuster;
c. Repayment of outstanding loans by the Manager, including the Developer Fee Note (if not paid) and Operating Deficit loans;
d. 10% to the Investor and 90% to the Manager

**Right of First Refusal**

A qualified non-profit corporation designated by the Manager shall have a right of first refusal as allowed under Section 42, commencing upon the expiration of the tax credit compliance period continuing for 12 months, to purchase the Project or the Special Member's interest for the outstanding debt including any amounts owed to the Special Members plus all exit taxes of the Special Members.

## *VII. Manager Commitments*

a. ***Low Income Housing Tax Credit Adjustment.*** Our offer is based upon the assumption that the Company will qualify for and claim Tax Credits of $1,228,928 per year for the 15 year compliance period.

***(i) Adjustments during equity payment (construction and leaseup) period***

In the event that either the Form 8609's or the Final Certification indicate that the Property will not generate the projected aggregate amount of Tax Credits (other than as specified below), the Operating Agreement will provide for a return of such capital, an adjustment in the amount of any unpaid Capital Contributions and/or a payment by the Manager to the Investor, sufficient to restore the Tax Credit Ratio as defined above.

Not withstanding the preceding paragraph, in the event that the Final Certification specifies that, while the aggregate amount of Tax Credit allocable to the Company is unchanged, the amount of Tax Credits allocable to the Company in the first two years of the compliance period is less than the amounts to be specified prior to closing for the corresponding years, the Second/Third Capital Contributions will be

reduced by $0.60 for each dollar by which such amounts exceed the amount of Tax Credits allocable to the Company for such period.

***(ii) Adjustments during compliance period***

After the Form 8609's have been issued, in the event that the actual amount of Tax Credits which may be claimed by the Company is less than the amount specified in such Forms, the Manager shall reimburse the Investor on a dollar-for-dollar basis for each lost dollar of Tax Credits plus any resulting penalties or taxes due. Similarly, if there is a recapture of Tax Credits (except from the sale or transfer of the Investor's interest in the Company, or due to a change of applicable tax law), the Manager shall upon demand indemnify the Investor and its members against any Tax Credit recapture liability (including interest, penalties and any reasonable related legal or accounting costs) which they may incur during the Compliance Period.

b. ***Development Deficit Guaranty.*** The Manager shall be responsible for completion of the Property in a workmanlike manner, in accordance with approved plans and specifications, free and clear of all liens. To the extent that the costs of construction and operations until the Breakeven Date exceed the amount of any funding by approved permanent third party lenders, any unpaid Developer Fees and the amount of the Investor's capital commitment (adjusted as set forth above), the Manager shall pay all such costs and expenses connected with development and construction of the Property, including all operating expenses of the Property until the Breakeven Date has been achieved. The contractor shall be required to post a 100% payment & performance bond or a 15% letter of credit to the construction lender.

c. ***Operating Deficit Guaranty***. The Manager shall make interest free loans to the Company (repayable from cash flow and/or sale and refinancing proceeds as described above) equal to any Operating Deficits (including the Minimum Deposit described in VII e. below and the administration fee described in VIII. a. below) incurred during the period beginning on the Breakeven Date and ending on the completion of three consecutive years of Breakeven operations, in an amount not to exceed 12 months of underwritten operating expenses in the aggregate (the "Operating Deficit Guaranty").

An Operating Reserve in an amount equal to the greater of $265,390 or three months of operating expenses and shall be funded at the time of the Second Capital Contribution. The Manager shall be obligated to fund this reserve. The Operating Reserve shall be maintained for the duration of the compliance period and cannot be used until the expiration of the Operating Deficit Guaranty.

An ACC Reserve shall also be established in an amount equal to $255,347 or six months of subsidy payments. The Manager will be obligated to fund this reserve at the time of the Second Capital Contribution and it shall remain in place for the duration of the tax credit compliance period.

d. ***Obligations of Manager.*** Immediately following the occurrence of any of the following events, (x) the Manager shall admit the Special Member or its designee as the manager of the Company and, at the option of the Investor, withdraw from the Company; or, (y) at the option of the Investor with respect to any of the events described in clauses (i) through (v) below, repurchase the Investor's interest in the Company: (i) an IRS Form 8609 is not issued with respect to each of the buildings in the Property in a timely manner after each such building has been placed in service; (ii) the Property is not fully placed in service within 24 months of closing; (iii) the Company fails to meet the minimum set aside test (as defined in Section 42 of the Code) or fails to execute and record a Tax Credit Extended Use Commitment by the close of the first year of the Credit Period: (iv) the Company shall have been declared in default by any mortgage lender or under the tax credit allocation or foreclosure proceedings have been commenced against the Property and such default is not cured or such proceeding is not dismissed within 30 days; or (v) there is a material violation of the Operating Agreement by the Manager or if the property manager is an affiliate of the Manager, a material violation of the management agreement by the manager which causes material adverse harm to the Investor, the Company or the Property.

If the Investor elects to have its interest repurchased by the Manager, the repurchase price shall be equal to 105% of the sum of (i) all capital contributions made by the investor, (ii) any tax liability (if any) incurred by the Investor as a result of such repurchase, less any Capital Contributions not funded to date.

e. ***Replacement Reserve.*** Commencing with the month following Completion, the Company will make a minimum monthly replacement reserve deposit (the "Minimum Deposit") equal to (on an annualized basis) the greater of (i) the amount required by the permanent lender and (ii) $300/unit. The amount of the Minimum Deposit shall be increased annually by a percentage (the "CPI Percentage"). If the sum of all lender-imposed monthly replacement reserve deposits is less than the Minimum Deposit, Investor will establish a separate account into which the Manager will deposit the difference. Any interest earned on such account shall become a part thereof.

f. ***Reporting.*** The Company will be required to furnish Investor with (a) quarterly unaudited financial statements within 60 days after the end of each quarter of the fiscal year; (b) annual audited financial statements within 90 days after the end of each fiscal year; (c) an annual budget for each fiscal year of the Company, not later than November 1 of the preceding year; and (d) the Company's tax returns and K-1 forms within 60 days after the end of each fiscal year. The penalty for any failure to deliver Company tax returns or K-1 forms prior to the specified deadline shall be (i) $50 per day for the first seven days after such deadline, (ii) $100 per day for the next seven days and (iii) $150 per day thereafter, provided that the amount of such penalty shall not exceed $2,000 in any year.

## *VIII. Fees to Affiliates of Hudson*

a. ***Administrative Expense Reimbursement.*** An affiliate of Hudson shall receive an annual administrative expense reimbursement from the Company in the amount of $5,000 (commencing with payment of the Second Capital Contribution), which amount shall be increased annually by the CPI Percentage.

## *IX. Representations, Warranties and Covenants*

The Manager shall make certain representations and warranties as to the Company, the Manager and the Property to be set forth in the Operating Agreement.

## *X. Accountants*

The Accountants for the Company shall be Novogradac & Co, CohnReznick Group, RubinBrown or another firm approved by the Investor. The Accountants shall prepare tax and financial reports as set forth in the Operating Agreement, and the Final Certification referred to in I.c., above.

## *XI. Investment Member Rights*

The Operating Agreement will provide certain approval rights as to major actions proposed to be taken by the Manager. The Investor shall have the right to remove the Manager and the Manager for cause.

## *XII. Insurance*

At the closing, the Manager shall provide for title insurance satisfactory to counsel to the Investor in an amount equal to the sum of all Capital Contributions, all mortgage loans and the amount of any Development Fee Note. Prior to the payment of any additional installment of the Capital Contribution, a "date down" of such policy shall be provided. The Manager shall provide for (i) liability (general and excess) insurance in an amount of at least $6,000,000 (increased biennially by the CPI Percentage), (ii) hazard insurance (including boiler and machinery coverage) in an amount of not less than the replacement value of the Property, (iii) rental loss insurance for a period of 12 months after the date of loss and (iv) law and ordinance coverage. Builder's risk insurance shall be provided during construction. Architects shall submit evidence of errors and omissions coverage, in amounts reasonably satisfactory to the Investor. Workers compensation insurance shall be provided as to any entity with employees working at the Apartment Complex. All policies shall name the Investor as an additional insured and shall otherwise be subject to Investor approval.

## *XIII. Indemnity Agreement*

The Manager shall indemnify the Investor, Hudson and its affiliates, and their respective officers, directors for any untrue statement of a material fact or omission to state a material fact necessary to make any such statement, in light of the circumstances under which they were made, not misleading, by the Manager or its agents set forth in any document delivered by the Manager

or its agents in connection with the acquisition of the Property, the investment by the Investor in the Company and the execution of the Operating Agreement.

## *XIV. General Conditions*

Payment of the Second/Third Capital Contributions shall be conditioned upon completion of an appropriate due diligence review by the Investor to confirm that there have been no changes in material circumstances affecting the Property, including (i) review of title (including a "date-down" endorsement), survey, environmental and other legal and regulatory matters, (ii) receipt of a "date-down" legal opinion from counsel to the Company for the Second Capital Contribution; and (iii) certification by the Manager as to the continued accuracy of representations and warranties made in the Operating Agreement.

## *XVI. Conditions to Closing*

Hudson has performed preliminary underwriting which is attached as Exhibit A, and will request the full cooperation of you and your professionals, customary due diligence review in connection with the acquisition of the Property and the Investor interest in the Company. To facilitate the due diligence process, you agree to deliver to Hudson, an accepted letter of intent and the following due diligence: (i) an appraisal, to be provided at least three weeks prior to closing; (ii) a Phase I environmental study of the Property site, prepared in accordance with ASTM standards, and any subsequent additional testing deemed necessary by Investor in its sole discretion; (ii) evidence of the required approval of the transaction by applicable governmental entities; (iv) evidence of the allocation/reservation of Tax Credits; (v) evidence of the financial status of the guarantor; (vi) evidence that the tax credit basis is sufficient to support the allocated tax credits; (vii) complete plans and specifications for the Property; (vi) a partnership and real estate legal opinion from approved counsel, to be provided prior to closing; and (ix) such other materials as are reasonably required by Investor as part of its customary financial and legal due diligence review. Such items shall be prepared and furnished at your own expense. Your execution of this letter will also be deemed consent to perform background checks on the principal(s) of the Manager and Developer, as well as any additional individual guarantors.

At closing, the Company shall reimburse Hudson up to $50,000 for its costs for legal fees, a market study of the area in which the Property is located, background checks and out-of-pocket travel expenses. The Manager acknowledges that any consultant selected for the project shall be acceptable to the lender and to Hudson and the Company shall bear the cost of fees associated with pre-construction feasibility studies, structural analysis and monthly inspections.

Additionally, approval of this transaction is subject to Investor's satisfactory completion of due diligence in its sole discretion. This proposal is valid only if accepted in writing and received by Hudson within 30 days of the date hereof. By executing this proposal and in consideration of the substantial expenses to be incurred by Hudson and its affiliates in legal and accounting fees and for due diligence, you agree that you and your affiliates will not offer any interest in the Property to any other party unless this Letter of Intent is terminated by either party or unless you are notified that, pursuant to its due diligence, the Investor will not complete its investment in the Company.

**The terms of this proposal are confidential, and you have agreed not to share this proposal or its terms with any other party (other than your legal counsel, the state tax credit allocating agency and Miami Dade County Public Housing and Community Development staff).** If this proposal is acceptable, please indicate your acceptance by executing two copies of this Letter of Intent and returning one to Hudson. We look forward to working with you.

Sincerely,
**Hudson Housing Capital LLC**

By:_____
Philip Gorgone
Vice President

ACCEPTED AND AGREED TO
THIS 4th DAY OF February 2016

By:_____
Name: Alberto Milo Jr.
Title: Senior Vice President

# NET OPERATING INCOME
## Liberty Square Rising Phase 3B

| | AMI | # Units | Gross Rent | Utility Allowance | Net Rent | Underwritten Rent | Sq. Feet | Annual Total Rent |
|---|---|---|---|---|---|---|---|---|
| **1 Bdrm / 1 Bath (PHA)** | | 4 | 596 | | 596 | 596 | | 28,612 |
| **2 Bdrm / 1 Bath (PHA)** | | 42 | 596 | | 596 | 596 | | 300,424 |
| **3 Bdrm / 2 Bath (PHA)** | | 15 | 596 | | 596 | 596 | | 107,294 |
| **4 Bdrm / 2 Bath (PHA)** | | 28 | 596 | | 596 | 596 | | 200,283 |
| **5 Bdrm / 2 Bath (PHA)** | | 15 | 596 | | 596 | 596 | | 107,294 |
| **1 Bdrm / 1 Bath** | | 10 | 706 | | 706 | 706 | | 84,720 |
| **2 Bdrm / 1 Bath** | | 20 | 849 | | 849 | 849 | | 203,760 |
| **3 Bdrm / 2 Bath** | | 10 | 981 | | 981 | 981 | | 117,720 |
| **Total** | | 144 | | | - | - | | 1,150,108 |
| **Low Income Units** | **100.00%** | 144 | | | | | | |
| Annual Rental Income | | | | | | | | 1,150,108 |
| Other | | | | | | | | 14,400 |
| ***Less:*** | | | | | | | | |
| Annual Rental Income Vacancy | | | | | | 5.5% | | (62,939) |
| Laundry Vacancy | | | | | | 5.5% | | - |
| Commercial Vacancy | | | | | | 5.5% | | - |
| Other Vacancy | | | | | | 6.00% | | (864) |
| Effective Income | | | | | | | | 1,100,705 |
| ***Less:*** | | | | | | *Per Unit* | | |
| Expenses | | | | | | 5,333 | | (768,011) |
| Replacement Reserves | | | | | | 300 | | (43,200) |
| Total Expenses | | | | | | 5,633 | | (811,211) |
| **NOI** | | | | | | | | **289,494** |
| Permanent Loan | | | | | | | | 4,000,000 |
| Debt Service | | | | | | | | 234,350 |
| Surtax Loan DS | | | | | | | | 16,000 |
| DSC | | | | | | | | 1.16 |
| *Rate* | 4.74% | | | | | Supportable Debt | | 4,023,000 |
| *Amortization* | 35 | | | | | | | |
| DSC | 1.15 | | | | | | | |

## SOURCES & USES OF FUNDS

**Liberty Square Rising Phase 3B**

| Uses | | | TOTAL | At Closing | Through Construction | Completion | Stabilization | Eligible Basis |
|---|---|---|---|---|---|---|---|---|
| Acquisition Costs | | | | | | | | |
| Land | | | 360,000 | 360,000 | | | - | |
| Building | | | - | | | | - | - |
| Acquisition legal | | | 30,000 | 30,000 | | | - | |
| Other Acquisition Costs | | | - | | | | - | |
| Sub-Total | | | 390,000 | 390,000 | - | - | - | - |
| Hard Costs | | | | | | | | |
| Site Work | | | | | - | - | - | - |
| Building Construction | | | 14,976,000 | | 14,976,000 | - | - | 14,976,000 |
| Parking | | | 720,000 | | 720,000 | - | - | 720,000 |
| Contingency | | | 1,008,672 | | 1,008,672 | - | - | 1,008,672 |
| General Requirements | | | 353,920 | | 353,920 | - | - | 353,920 |
| Performance Bond | | | 132,954 | | 132,954 | - | - | 132,954 |
| Contractor Overhead | | | 1,061,760 | | 1,061,760 | - | - | 1,061,760 |
| Contractor Profit | | | 1,061,760 | | 1,061,760 | - | - | 1,061,760 |
| YMCA (Comm. Facility Space) | | | 2,000,000 | | 2,000,000 | - | - | 2,000,000 |
| Other Hard Costs | | | | | - | - | - | - |
| Sub-Total | 148,021 | | 21,315,066 | - | 21,315,066 | - | - | 21,315,066 |
| Financing Costs | | | | | | | | |
| Construction Period Interest | 253,179 | | 500,000 | | 500,000 | - | - | 198,212 |
| Capitalized Soft Debt Interest | | | | | - | | | |
| Construction Loan Fees | | | 238,980 | 238,980 | - | - | - | 238,980 |
| Permanent Loan Fees | | | 40,000 | 40,000 | - | - | - | |
| Closing Costs - Construction | | | - | | - | - | - | - |
| Closing Costs - Permanent | | | 106,500 | 106,500 | - | - | - | |
| Title & Recording-Construction | | | 99,540 | 99,540 | - | - | - | 99,540 |
| Title & Recording-Permanent | | | 33,180 | 33,180 | - | - | - | |
| Bank Legal | | | 110,000 | 110,000 | - | - | - | 82,500 |
| Bank Engineer | | | 31,500 | 31,500 | - | - | - | 31,500 |
| Other Financing Costs | | | 100,000 | 100,000 | - | - | - | 75,000 |
| Sub-Total | | | 1,259,700 | 759,700 | 500,000 | - | - | 725,732 |
| Soft Costs | | | | | | | | |
| Appraisal | | | 7,500 | 7,500 | - | - | - | 7,500 |
| Market Study | | | 7,500 | 7,500 | - | - | - | 7,500 |
| Environmental Study | | | 10,000 | 10,000 | - | - | - | 10,000 |
| Architectural | | | 457,000 | 457,000 | - | - | - | 457,000 |
| Engineering | | | 15,000 | 15,000 | - | - | - | 15,000 |
| Survey | | | 10,000 | 10,000 | - | - | - | 10,000 |
| Legal | | | 150,000 | 150,000 | - | - | - | 112,500 |
| Accounting | | | 50,000 | 50,000 | - | - | - | 50,000 |
| Insurance | | | 206,628 | 206,628 | - | - | - | 206,628 |
| Marketing | | | 50,000 | | 50,000 | - | - | |
| Permits and Fees | | | 176,960 | 176,960 | - | - | - | 176,960 |
| Tax Credit Fees | | | 159,941 | 159,941 | - | - | - | |
| Inspection Fees | | | 144,000 | | 144,000 | - | - | 144,000 |
| Taxes | | | - | - | - | - | - | - |
| Tenant Relocation | | | 260,000 | 260,000 | - | - | - | 260,000 |
| Site Security | | | 500,000 | | 500,000 | - | - | 500,000 |
| Utility Connection Fee | | | 172,800 | 172,800 | - | - | - | 172,800 |
| Community Relations | | | 100,000 | | 100,000 | - | - | |
| Monitoring fees | | | 145,000 | | 145,000 | - | - | 145,000 |
| Soft Cost 6 | | | | - | - | - | - | - |
| Soft Cost 7 | | | | - | - | - | - | - |
| Syndication | | | 50,000 | 50,000 | - | - | - | |
| Title Insurance | | | - | - | - | - | - | - |
| Soft Cost Contingency | | | 167,228 | | 167,228 | - | - | 167,228 |
| Furnishings | | | 200,000 | | 200,000 | - | - | 200,000 |
| Sub-Total | | | 3,039,557 | 1,733,329 | 1,306,228 | - | - | 2,642,116 |
| Reserves | | | | | | | | |
| Operating | | | 265,390 | | | | 265,390 | |
| Operating Subsidy Reserve | | | 255,347 | | | | 255,347 | |
| Replacement Reserve | | | 43,200 | | | | 43,200 | |
| Leaseup | | | 100,000 | | 100,000 | | - | |
| Tax Escrow | | | 17,042 | | 17,042 | | - | |
| Developer Fees/Overhead | | | 4,615,978 | | | | 4,615,978 | 4,615,978 |
| TOTAL USES | | | 31,301,280 | 2,883,029 | 23,238,336 | - | 5,179,915 | 29,298,892 |
| Sources | | | | | 10.00% | 20.00% | 0.00% | 70.00% |
| Tax Credit Equity | | | 13,762,617 | 1,376,262 | 2,752,523 | - | 9,633,832 | |
| Construction Loan | 3.50% | 16,000,000 | | 1,506,767 | 14,493,233 | - | (16,000,000) | |
| Permanent Loan | 4.74% | 35 years | 4,000,000 | | | | 4,000,000 | |
| HOME | 0.00% | 30 years | 2,200,000 | | 2,200,000 | - | - | |
| FHFC HOME | 0.00% | 30 years | 5,000,000 | | 3,792,580 | - | 1,207,420 | |
| FHLB | 0.00% | 30 years | 1,000,000 | | | - | 1,000,000 | |
| County GOB | 0.00% | 30 years | 3,300,000 | | | - | 3,300,000 | |
| County CFFP | 1.00% | 30 years | 1,600,000 | | | - | 1,600,000 | |
| Other Sources | | | - | | | | | |
| Deferred Developer Fee | | | 438,663 | | | | 438,663 | |
| TOTAL SOURCES | | | 31,301,280 | 2,883,029 | 23,238,336 | - | 5,179,915 | |

Pillar

PILLAR MULTIFAMILY
AN AFFILIATE OF GUGGENHEIM PARTNERS
330 Madison Avenue
NEW YORK, NEW YORK 10017
PILLARFINANCE.COM

February 4, 2016

Mr. Tony Del Pozzo
Mr. Albert Milo
RUDG, LLC
315 S. Biscayne Blvd. – 4th Floor
Miami, FL 33131

Re: Liberty Square Rising (the "Property"), 1,488 units
Miami, FL

Gentlemen:

Based on our review and analysis of the information you have supplied, we are pleased to provide the following permanent financing commitment for your proposed Liberty Square Rising development located in Miami-Dade County, Florida.

| | |
|---|---|
| Borrower/Applicant: | Affiliate of RUDG, LLC or such other entity acceptable to Lender. |
| Manager: | Affiliate of RUDG, LLC or such other entity acceptable to Lender. |
| Developer: | Affiliate of RUDG, LLC or such other entity acceptable to Lender. |
| Guarantor: | PRH Investments LLC or such other entity acceptable to Lender. |
| Loan / Purpose: | Permanent financing to each phase of the Project in the below amounts, subject to final underwriting: |

| Phase | Permanent Loan Amount |
|---|---|
| Liberty Square - Phase 1A Lincoln Gardens | $10,750,000 |
| Liberty Square - Phase 1B | $5,650,000 |
| Liberty Square - Phase 2 | $5,650,000 |
| Liberty Square - Phase 3A | $5,750,000 |
| Liberty Square - Phase 3B | $4,000,000 |
| Liberty Square - Phase 4B | $5,350,000 |
| Liberty Square - Phase 4C | $16,150,000 |
| Liberty Square - Phase 4D | $34,900,000 |
| | $88,200,000 |

| | |
|---|---|
| Term: | 17 Years (2 year unfunded forward commitment followed by 15 year term) |
| Interest Rate: | The interest rate on the Loan (the "Interest Rate") is estimated to be 4.74%. which rate assumes that the yield on the 10-Year Treasury at the time of rate lock is 2.00%. The Interest Rate is an estimate and |

| | |
|---|---|
| | components of the Interest Rate adjust daily and are subject to overall fluctuations in the capital markets. |
| Commitment Fee: | 1.0% of the loan amount |
| Collateral: | First mortgage; other typical pledges and assignments. |
| Guarantee: | Non-recourse to the Borrower and Guarantors, with standard carve-outs (the carve outs include, without limitation, delivery assurance, guarantees against fraud, misrepresentation, environmental and waste). |
| Loan to Value: | 90% |
| Minimum DSCR: | 1.15x based on the actual Interest Rate determined at Rate Lock. |
| Amortization Period: | 35 Years |
| Subordinate Financing: | Subordinate Financing will be permitted subject to Pillar's approval. |
| Additional: | Any real estate tax PILOT or exemption is subject to full and final due diligence and must be structured in accordance with all Pillar and applicable Agency guidelines. |
| Lending Program: | Freddie Mac or Fannie Mae |

This commitment is contingent upon credit approval and completion of the underwriting and due diligence process, including without limitation receipt of appraisals, environmental reports, Lender engineer's reports and all final budgets and operating pro forma, all satisfactory to Lender in its sole and absolute discretion. We reserve the right to modify and/or add to any terms described in this letter following receipt and review of due diligence materials. The foregoing is intended to summarize the structure and basic terms and conditions (subject to modification upon completion of due diligence by Lender) upon which Lender may provide the financing described herein and is not an inclusive statement of all provisions, documents or requirements of a closing. This commitment shall be null and void and of no further effect if not executed and returned on or before February 22, 2016.

Sincerely,
PILLAR MULTIFAMILY, LLC

By: _____
Paul Sherrington
Authorized Signatory

By the execution below, the undersigned Applicant acknowledges and agrees to the foregoing terms and conditions of this Application.

Agreed To and Accepted:

By: _____

Date: 2/4/16

Pillar

**Liberty Square - Phase 1A**

**Preliminary Loan Sizing**

| | |
|---|---|
| # Units | 216 |
| Loan Amount | $ 10,750,000 |
| | |
| 10-yr Treasury Rate (assumed at closing) | 2.00% |
| Spread (assumed at closing) | 2.74% |
| Total Rate (assumed at closing) | 4.74% |

| INCOME | Loan Sizing | | |
|---|---|---|---|
| | Amount | % | $/Unit |
| Gross Potential Rent | $2,144,993 | 100.0% | $9,931 |
| Vacancy | -$93,240 | -7.2% | ($432) |
| Bad Debt/Collection Loss | $0 | 0.0% | $0 |
| Concessions | $0 | 0.0% | $0 |
| Baseline Adjustment (PHA Asset Mgmt fee) | -$30,629 | -1.5% | ($142) |
| Net Rental Income | $2,021,124 | 100.0% | $9,357 |
| | | | |
| Commercial Income | $0 | 0.0% | $0 |
| Commercial Vacancy | $0 | 0.0% | $0 |
| Net Commercial Income | $0 | 0.0% | $0 |
| | | | |
| Laundry/Vending | $0 | 0.0% | $0 |
| Parking | $0 | 0.0% | $0 |
| Other Income | $21,600 | 1.1% | $100 |
| Effective Gross Income | $2,042,724 | 101.1% | $9,457 |
| | | | |
| Real Estate Taxes | $144,145 | 7.1% | $667 |
| Property Insurance | $129,600 | 6.4% | $600 |
| Utilities | $129,600 | 6.4% | $600 |
| Repairs and Maintenance | $216,000 | 10.7% | $1,000 |
| Management Fee | $122,563 | 6.0% | $567 |
| Payroll and Benefits | $259,200 | 12.8% | $1,200 |
| Marketing | $21,600 | 1.1% | $100 |
| Professional Fees | $21,600 | 1.1% | $100 |
| General and Administrative | $32,400 | 1.6% | $150 |
| Other Expenses | $100,000 | 4.9% | $463 |
| Ground Rent | $0 | 0.0% | $0 |
| Total Expenses | $1,176,708 | 58.2% | $5,448 |
| | | | |
| Net Operating Income | $866,016 | 42.8% | $4,009 |
| | | | |
| Capital Reserve | $64,800 | 3.2% | $300 |
| Extraordinary Capital Items | $0 | 0.0% | $0 |
| Total Capital Expenses | $64,800 | 3.2% | $300 |
| | | | |
| Total Expenses Incl Cap'l Expenses | $1,241,508 | 60.8% | $5,748 |
| | | | |
| Net Cash Flow (NOI w/Cap'l Expenses) | $801,216 | 39.2% | $3,709 |

| | |
|---|---|
| First Mortgage Debt Service | 629,814 |
| First Mortgage DSCR | 1.27 |
| CFFP DS | 64,000 |
| Total DSCR | 1.15 |

Pillar

**Liberty Square - Phase 1B**

**Preliminary Loan Sizing**

| | | |
|---|---|---|
| # Units | | 216 |
| Loan Amount | $ | 5,650,000 |
| | | |
| 10-yr Treasury Rate (assumed at closing) | | 2.00% |
| Spread (assumed at closing) | | 2.74% |
| Total Rate (assumed at closing) | | 4.74% |

| INCOME | Loan Sizing | | |
|---|---|---|---|
| | Amount | % | $/Unit |
| Gross Potential Rent | $1,653,113 | 100.0% | $7,653 |
| Vacancy | -$37,474 | 2.3% | ($173) |
| Bad Debt/Collection Loss | $0 | 0.0% | $0 |
| Concessions | $0 | 0.0% | $0 |
| Baseline Adjustment (PHA Asset Mgmt Fee) | -$52,507 | -3.4% | ($243) |
| Net Rental Income | $1,563,132 | 100.0% | $7,237 |
| | | | |
| Commercial Income | $0 | 0.0% | $0 |
| Commercial Vacancy | $0 | 0.0% | $0 |
| Net Commercial Income | $0 | 0.0% | $0 |
| | | | |
| Laundry/Vending | $0 | 0.0% | $0 |
| Parking | $0 | 0.0% | $0 |
| Other Income | $21,600 | 1.4% | $100 |
| Effective Gross Income | $1,584,732 | 101.4% | $7,337 |
| | | | |
| Real Estate Taxes | $89,894 | 5.8% | $416 |
| Property Insurance | $129,600 | 8.3% | $600 |
| Utilities | $129,600 | 8.3% | $600 |
| Repairs and Maintenance | $216,000 | 13.8% | $1,000 |
| Management Fee | $95,084 | 6.0% | $440 |
| Payroll and Benefits | $302,400 | 19.3% | $1,400 |
| Marketing | $21,600 | 1.4% | $100 |
| Professional Fees | $21,600 | 1.4% | $100 |
| General and Administrative | $32,400 | 2.1% | $150 |
| Other Expenses (Resident Services) | $100,000 | 6.4% | $463 |
| Ground Rent | $0 | 0.0% | $0 |
| Total Expenses | $1,138,178 | 72.8% | $5,269 |
| | | | |
| Net Operating Income | $446,554 | 28.6% | $2,067 |
| | | | |
| Capital Reserve | $64,800 | 4.1% | $300 |
| Extraordinary Capital Items | $0 | 0.0% | $0 |
| Total Capital Expenses | $64,800 | 4.1% | $300 |
| | | | |
| Total Expenses incl Cap'l Expenses | $1,202,978 | 76.9% | $5,569 |
| | | | |
| Net Cash Flow (NOI w/Cap'l Expenses) | $381,754 | 24.1% | $1,767 |
| | | | |
| Debt Service | 331,019 | | |
| Actual Debt Service Coverage | 1.15 | | |

Pillar

**Liberty Square - Phase 2**

**Preliminary Loan Sizing**

| | | |
|---|---|---|
| # Units | | 216 |
| Loan Amount | $ | 5,650,000 |
| | | |
| 10-yr Treasury Rate (assumed at closing) | | 2.00% |
| Spread (assumed at closing) | | 2.74% |
| Total Rate (assumed at closing) | | 4.74% |

| INCOME | Loan Sizing | | |
|---|---|---|---|
| | Amount | % | $/Unit |
| Gross Potential Rent | $1,653,113 | 100.0% | $7,653 |
| Vacancy | -$37,474 | 2.3% | ($173) |
| Bad Debt/Collection Loss | $0 | 0.0% | $0 |
| Concessions | $0 | 0.0% | $0 |
| Baseline Adjustment (PHA Asset Mgmt Fee) | -$52,607 | -3.4% | ($243) |
| **Net Rental Income** | $1,563,132 | 100.0% | $7,237 |
| | | | |
| Commercial Income | $0 | 0.0% | $0 |
| Commercial Vacancy | $0 | 0.0% | $0 |
| **Net Commercial Income** | $0 | 0.0% | $0 |
| | | | |
| Laundry/Vending | $0 | 0.0% | $0 |
| Parking | $0 | 0.0% | $0 |
| Other Income | $21,600 | 1.4% | $100 |
| **Effective Gross Income** | $1,584,732 | 101.4% | $7,337 |
| | | | |
| Real Estate Taxes | $89,884 | 5.8% | $416 |
| Property Insurance | $129,600 | 8.3% | $600 |
| Utilities | $129,600 | 8.3% | $600 |
| Repairs and Maintenance | $216,000 | 13.8% | $1,000 |
| Management Fee | $95,084 | 6.0% | $440 |
| Payroll and Benefits | $302,400 | 19.3% | $1,400 |
| Marketing | $21,600 | 1.4% | $100 |
| Professional Fees | $21,600 | 1.4% | $100 |
| General and Administrative | $32,400 | 2.1% | $150 |
| Other Expenses (Resident Services) | $100,000 | 6.4% | $463 |
| Ground Rent | $0 | 0.0% | $0 |
| **Total Expenses** | $1,138,178 | 72.8% | $5,269 |
| | | | |
| **Net Operating Income** | $446,554 | 28.6% | $2,067 |
| | | | |
| Capital Reserve | $64,800 | 4.1% | $300 |
| Extraordinary Capital Items | $0 | 0.0% | $0 |
| **Total Capital Expenses** | $64,800 | 4.1% | $300 |
| | | | |
| **Total Expenses Incl Cap'l Expenses** | $1,202,978 | 75.9% | $5,569 |
| | | | |
| **Net Cash Flow (NOI w/Cap'l Expenses)** | $381,754 | 24.1% | $1,767 |
| | | | |
| **Debt Service** | 331,019 | | |
| **Actual Debt Service Coverage** | 1.15 | | |

Pillar

**Liberty Square - Phase 3A**

**Preliminary Loan Sizing**

| | |
|---|---|
| # Units | 216 |
| Loan Amount | $ 5,750,000 |
| | |
| 10-yr Treasury Rate (assumed at closing) | 2.00% |
| Spread (assumed at closing) | 2.74% |
| Total Rate (assumed at closing) | 4.74% |

| INCOME | Loan Sizing | | |
|---|---|---|---|
| | Amount | % | $/Unit |
| Gross Potential Rent | $1,686,121 | 100.0% | $7,709 |
| Vacancy | -$39,595 | 2.4% | ($183) |
| Bad Debt/Collection Loss | $0 | 0.0% | $0 |
| Concessions | $0 | 0.0% | $0 |
| Baseline Adjustment (PHA Asset Mgmt Fee) | -$51,341 | -3.3% | ($238) |
| Net Rental Income | $1,574,185 | 100.0% | $7,288 |
| | | | |
| Commercial Income | $0 | 0.0% | $0 |
| Commercial Vacancy | $0 | 0.0% | $0 |
| Net Commercial Income | $0 | 0.0% | $0 |
| | | | |
| Laundry/Vending | $0 | 0.0% | $0 |
| Parking | $0 | 0.0% | $0 |
| Other Income | $21,600 | 1.4% | $100 |
| Effective Gross Income | $1,595,785 | 101.4% | $7,388 |
| | | | |
| Real Estate Taxes | $91,874 | 5.8% | $425 |
| Property Insurance | $129,600 | 8.2% | $600 |
| Utilities | $129,600 | 8.2% | $600 |
| Repairs and Maintenance | $216,000 | 13.7% | $1,000 |
| Management Fee | $95,747 | 6.0% | $443 |
| Payroll and Benefits | $302,400 | 19.2% | $1,400 |
| Marketing | $21,600 | 1.4% | $100 |
| Professional Fees | $21,600 | 1.4% | $100 |
| General and Administrative | $32,400 | 2.1% | $150 |
| Other Expenses (Resident Services) | $100,000 | 6.4% | $463 |
| Ground Rent | $0 | 0.0% | $0 |
| Total Expences | $1,140,821 | 72.5% | $5,282 |
| | | | |
| Net Operating Income | $454,964 | 28.9% | $2,106 |
| | | | |
| Capital Reserve | $64,800 | 4.1% | $300 |
| Extraordinary Capital Items | $0 | 0.0% | $0 |
| Total Capital Expenses | $64,800 | 4.1% | $300 |
| | | | |
| Total Expenses incl Cap'l Expenses | $1,205,621 | 76.6% | $5,582 |
| | | | |
| Net Cash Flow (NOI w/Cap'l Expenses) | $390,164 | 24.4% | $1,806 |
| | | | |
| Debt Service | 336,878 | | |
| Actual Debt Service Coverage | 1.16 | | |

Pillar

**Liberty Square - Phase 3B**

**Preliminary Loan Sizing**

| | | |
|---|---|---|
| # Units | | 144 |
| Loan Amount | $ | 4,000,000 |
| | | |
| 10-yr Treasury Rate (assumed at closing) | | 2.00% |
| Spread (assumed at closing) | | 2.74% |
| Total Rate (assumed at closing) | | 4.74% |

| INCOME | Loan Sizing | | |
|---|---|---|---|
| | Amount | % | $/Unit |
| Gross Potential Rent | $1,150,108 | 100.0% | $7,987 |
| Vacancy | -$33,485 | 2.9% | ($232) |
| Bad Debt/Collection Loss | $0 | 0.0% | $0 |
| Concessions | $0 | 0.0% | $0 |
| Baseline Adjustment (PHA Asset Mgmt Fee) | -$30,338 | -2.6% | ($211) |
| Net Rental Income | $1,086,305 | 100.0% | $7,544 |
| | | | |
| Commercial Income | $0 | 0.0% | $0 |
| Commercial Vacancy | $0 | 0.0% | $0 |
| Net Commercial Income | $0 | 0.0% | $0 |
| | | | |
| Laundry/Vending | $0 | 0.0% | $0 |
| Parking | $0 | 0.0% | $0 |
| Other Income | $14,400 | 1.3% | $100 |
| Effective Gross Income | $1,100,705 | 101.3% | $7,644 |
| | | | |
| Real Estate Taxes | $68,169 | 6.3% | $473 |
| Property Insurance | $86,400 | 8.0% | $600 |
| Utilities | $86,400 | 8.0% | $600 |
| Repairs and Maintenance | $144,000 | 13.3% | $1,000 |
| Management Fee | $66,042 | 6.0% | $459 |
| Payroll and Benefits | $201,600 | 18.6% | $1,400 |
| Marketing | $14,400 | 1.3% | $100 |
| Professional Fees | $14,400 | 1.3% | $100 |
| General and Administrative | $21,600 | 2.0% | $150 |
| Other Expenses (Resident Services) | $65,000 | 6.0% | $451 |
| Ground Rent | $0 | 0.0% | $0 |
| Total Expenses | $768,011 | 70.7% | $5,333 |
| | | | |
| Net Operating Income | $332,694 | 30.6% | $2,310 |
| | | | |
| Capital Reserve | $43,200 | 3.9% | $300 |
| Extraordinary Capital Items | $0 | 0.0% | $0 |
| Total Capital Expenses | $43,200 | 3.9% | $300 |
| | | | |
| Total Expenses Incl Cap'l Expenses | $811,211 | 73.7% | $5,633 |
| | | | |
| Net Cash Flow (NOI w/Cap'l Expenses) | $289,494 | 26.3% | $2,010 |

| | |
|---|---|
| First Mortgage Debt Service | 234,350 |
| First Mortgage DSCR | 1.24 |
| Surtax DS | 16,000 |
| Total DSCR | 1.16 |

Pillar

**Liberty Square - Phase 4B**

**Preliminary Loan Sizing**

| | | |
|---|---|---|
| # Units | | 120 |
| Loan Amount | $ | 5,350,000 |
| | | |
| 10-yr Treasury Rate (assumed at closing) | | 2.00% |
| Spread (assumed at closing) | | 2.74% |
| Total Rate (assumed at closing) | | 4.74% |

| INCOME | Loan Sizing | | |
|---|---|---|---|
| | Amount | % | $/Unit |
| Gross Potential Rent | $1,048,896 | 100.0% | $8,741 |
| Vacancy | -$63,654 | 6.1% | ($530) |
| Bad Debt/Collection Loss | $0 | 0.0% | $0 |
| Concessions | $0 | 0.0% | $0 |
| Baseline Adjustment (PHA Asset Mgmt Fee) | $0 | 0.0% | $0 |
| Net Rental Income | $985,242 | 100.0% | $8,210 |
| | | | |
| Commercial Income | $0 | 0.0% | $0 |
| Commercial Vacancy | $0 | 0.0% | $0 |
| Net Commercial Income | $0 | 0.0% | $0 |
| | | | |
| Laundry/Vending | $0 | 0.0% | $0 |
| Parking | $0 | 0.0% | $0 |
| Other Income | $12,000 | 1.2% | $100 |
| Effective Gross Income | $997,242 | 101.2% | $8,310 |
| | | | |
| Real Estate Taxes | $0 | 0.0% | $0 |
| Property Insurance | $72,000 | 7.3% | $600 |
| Utilities | $72,000 | 7.3% | $600 |
| Repairs and Maintenance | $120,000 | 12.2% | $1,000 |
| Management Fee | $59,835 | 6.0% | $499 |
| Payroll and Benefits | $168,000 | 17.1% | $1,400 |
| Marketing | $12,000 | 1.2% | $100 |
| Professional Fees | $12,000 | 1.2% | $100 |
| General and Administrative | $18,000 | 1.8% | $150 |
| Other Expenses (Resident Services) | $50,000 | 5.1% | $417 |
| Ground Rent | $0 | 0.0% | $0 |
| Total Expenses | $583,835 | 59.3% | $4,865 |
| | | | |
| Net Operating Income | $413,407 | 42.0% | $3,445 |
| | | | |
| Capital Reserve | $36,000 | 3.6% | $300 |
| Extraordinary Capital Items | $0 | 0.0% | $0 |
| Total Capital Expenses | $36,000 | 3.6% | $300 |
| | | | |
| Total Expenses incl Cap'l Expenses | $619,835 | 62.2% | $5,165 |
| | | | |
| Net Cash Flow (NOI w/Cap'l Expenses) | $377,407 | 37.8% | $3,145 |

| | |
|---|---|
| First Mortgage Debt Service | 313,443 |
| First Mortgage DSCR | 1.20 |
| Surtax DS | 13,000 |
| Total DSCR | 1.16 |

Pillar

**Liberty Square - Phase 4C**

**Preliminary Loan Sizing**

| | |
|---|---|
| # Units | 120 |
| Loan Amount | $ 16,150,000 |
| | |
| 10-yr Treasury Rate (assumed at closing) | 2.00% |
| Spread (assumed at closing) | 2.74% |
| Total Rate (assumed at closing) | 4.74% |

| INCOME | Loan Sizing | | |
|---|---|---|---|
| | Amount | % | $/Unit |
| Gross Potential Rent | $2,113,776 | 100.0% | $17,615 |
| Vacancy | -$127,547 | 6.0% | ($1,063) |
| Bad Debt/Collection Loss | $0 | 0.0% | $0 |
| Concessions | $0 | 0.0% | $0 |
| Baseline Adjustment (PHA Asset Mgmt Fee) | $0 | 0.0% | $0 |
| Net Rental Income | $1,986,229 | 100.0% | $16,552 |
| | | | |
| Commercial Income | $0 | 0.0% | $0 |
| Commercial Vacancy | $0 | 0.0% | $0 |
| Net Commercial Income | $0 | 0.0% | $0 |
| | | | |
| Laundry/Vending | $0 | 0.0% | $0 |
| Parking | $0 | 0.0% | $0 |
| Other Income | $12,000 | 0.6% | $100 |
| Effective Gross Income | $1,998,229 | 100.6% | $16,652 |
| | | | |
| Real Estate Taxes | $143,253 | 7.2% | $1,194 |
| Property Insurance | $72,000 | 3.6% | $600 |
| Utilities | $72,000 | 3.6% | $600 |
| Repairs and Maintenance | $120,000 | 6.0% | $1,000 |
| Management Fee | $119,894 | 6.0% | $999 |
| Payroll and Benefits | $168,000 | 8.5% | $1,400 |
| Marketing | $12,000 | 0.6% | $100 |
| Professional Fees | $12,000 | 0.6% | $100 |
| General and Administrative | $18,000 | 0.9% | $150 |
| Other Expenses (Resident Services) | $100,000 | 5.0% | $833 |
| Ground Rent | $0 | 0.0% | $0 |
| Total Expenses | $837,147 | 42.1% | $6,976 |
| | | | |
| Net Operating Income | $1,161,082 | 58.6% | $9,676 |
| | | | |
| Capital Reserve | $36,000 | 1.8% | $300 |
| Extraordinary Capital Items | $0 | 0.0% | $0 |
| Total Capital Expenses | $36,000 | 1.8% | $300 |
| | | | |
| Total Expenses Incl Cap'l Expenses | $873,147 | 43.7% | $7,276 |
| | | | |
| Net Cash Flow (NOI w/Cap'l Expenses) | $1,125,082 | 56.3% | $9,376 |

| | |
|---|---|
| First Mortgage Debt Service | 946,186 |
| First Mortgage DSCR | 1.19 |
| Surtax DS | 30,000 |
| Total DSCR | 1.15 |

Pillar

**Liberty Square - Phase 4D**

**Preliminary Loan Sizing**

| | |
|---|---|
| # Units | 240 |
| Loan Amount | $ 34,900,000 |
| | |
| 10-yr Treasury Rate (assumed at closing) | 2.00% |
| Spread (assumed at closing) | 2.74% |
| Total Rate (assumed at closing) | 4.74% |

| INCOME | Loan Sizing | | |
|---|---|---|---|
| | Amount | % | $/Unit |
| Gross Potential Rent | $4,227,562 | 100.0% | $17,615 |
| Vacancy | -$255,093 | 6.0% | ($1,063) |
| Bad Debt/Collection Loss | $0 | 0.0% | $0 |
| Concessions | $0 | 0.0% | $0 |
| Baseline Adjustment (PHA Asset Mgmt Fee) | $0 | 0.0% | $0 |
| **Net Rental Income** | **$3,972,469** | **100.0%** | **$16,552** |
| | | | |
| Commercial Income | $0 | 0.0% | $0 |
| Commercial Vacancy | $0 | 0.0% | $0 |
| **Net Commercial Income** | **$0** | **0.0%** | **$0** |
| | | | |
| Laundry/Vending | $0 | 0.0% | $0 |
| Parking | $0 | 0.0% | $0 |
| Other Income | $24,000 | 0.6% | $100 |
| **Effective Gross Income** | **$3,996,469** | **100.6%** | **$16,652** |
| | | | |
| Real Estate Taxes | $303,448 | 7.6% | $1,264 |
| Property Insurance | $144,000 | 3.6% | $600 |
| Utilities | $144,000 | 3.6% | $600 |
| Repairs and Maintenance | $240,000 | 6.0% | $1,000 |
| Management Fee | $239,788 | 6.0% | $999 |
| Payroll and Benefits | $336,000 | 8.5% | $1,400 |
| Marketing | $24,000 | 0.6% | $100 |
| Professional Fees | $24,000 | 0.6% | $100 |
| General and Administrative | $36,000 | 0.9% | $150 |
| Other Expenses (Resident Services) | $50,000 | 1.3% | $208 |
| Ground Rent | $0 | 0.0% | $0 |
| **Total Expenses** | **$1,541,236** | **38.6%** | **$6,422** |
| | | | |
| **Net Operating Income** | **$2,455,223** | **61.8%** | **$10,230** |
| | | | |
| Capital Reserve | $72,000 | 1.8% | $300 |
| Extraordinary Capital Items | $0 | 0.0% | $0 |
| **Total Capital Expenses** | **$72,000** | **1.8%** | **$300** |
| | | | |
| **Total Expenses Incl Cap'l Expenses** | **$1,613,236** | **40.4%** | **$6,722** |
| | | | |
| **Net Cash Flow (NOI w/Cap'l Expenses)** | **$2,383,223** | **59.6%** | **$9,930** |

| | |
|---|---|
| **First Mortgage Debt Service** | 2,044,700 |
| **First Mortgage DSCR** | 1.17 |
| **Surtax DS** | 17,000 |
| **Total DSCR** | 1.16 |

## SECTION 3.11.A) PROJECT FINANCE APPROACH – PHASE 4A

Pro Forma

Liberty Square Rising
Phase 4A
Homeownership

2/4/2016

## DEVELOPMENT ANALYSIS

| | | |
|---|---|---|
| **LAND & DEVELOPMENT** | | |
| 03 | Land Cost | 150,000 |
| | **Land Development Totals** | **150,000** |
| **HARD COSTS** | | |
| 03 | Subtotal Owner Hard Costs | 161,673 |
| 03 | Contractor Hard Costs: | 6,101,620 |
| 16 | FF&E | 50,000 |
| | **SUBTOTAL HARD COSTS** | **6,313,293** |
| **SOFT COSTS** | | |
| 04 | Design/Inspections | 78,100 |
| 05 | Permits/Fees | 238,380 |
| 06 | Project Management Costs | 250,000 |
| 09 | Other Soft Costs | 124,525 |
| 10 | Financing Costs | 60,087 |
| 14 | Capital Marketing Costs | 50,250 |
| | **SUBTOTAL SOFT COSTS** | **1,274,584** |
| **CONTINGENCIES** | | |
| 03 | Hard Cost Contingency ( 5% ) | 231,644 |
| 06 | Soft Cost Contingency | 48,000 |
| | **SUBTOTAL CONTINGENCIES** | **279,644** |
| **PROJECT TOTALS** | | **8,017,522** |

| Account Code | Description | Totals |
|---|---|---|
| 17 | Residential Sales Revenues | 11,700,000 |
| 24 | CHDO Home Buyer Counseling Fee | 18,000 |
| 25 | CHDO Marketing Fee ( 2.5% ) | 292,500 |
| 26 | CHDO Developer Fee | - |
| 27 | Real Estate Commissions ( 3.50% ) | 409,500 |
| 29 | Gap Equity Preferred Interest | - |
| 30 | Seller Paid Closing Costs / Prorations (1.5%) | 175,500 |
| | **Net Sales Revenues** | **10,804,500** |
| | **TOTAL PROFITS** | **2,786,978** |

## SECTION 3.11.A) PROJECT FINANCE APPROACH – PHASE 4B

Pro Forma

Construction Lender Firm Commitment

Construction Lender Underwriting

Equity Firm Commitment

Equity Underwriting

Permanent Lender Firm Commitment

Permanent Lender Underwriting

# Liberty Square Rising - Phase 4B
## EXECUTIVE SUMMARY

Address — Miami, FL

Total Units — 120

| SOURCES | Construction Source of Funds | Per Unit | Permanent Source of Funds | Per Unit |
|---|---|---|---|---|
| Tax Credit Equity: | 3,302,244 | 27,519 | 11,007,480 | 91,729 |
| Bonds | 12,500,000 | 104,167 | 5,350,000 | 44,583 |
| HOME | 1,000,000 | 8,333 | 1,000,000 | 8,333 |
| SAIL | 5,000,000 | 41,667 | 5,000,000 | 41,667 |
| SAIL ELI | 821,100 | 6,843 | 821,100 | 6,843 |
| Surtax | 1,300,000 | 10,833 | 1,300,000 | 10,833 |
| Deferred Developer Fee: | 1,858,628 | 15,489 | 562,661 | 4,689 |
| **TOTAL** | **25,781,972** | **214,850** | **25,041,241** | **208,677** |

| USES | | Total | Per Unit |
|---|---|---|---|
| **Acquisition** | | | |
| Acquisition Costs | | 300,000 | 2,500 |
| **Construction** | | | |
| Residential Construction | | 13,080,000 | 109,000 |
| Sickle Cell Foundation | | 250,000 | |
| Jessie Trice Community Center | | 750,000 | |
| GC Fees | 14% | 1,971,200 | |
| Hard Cost Contingency | 5% | 802,560 | |
| Total Construction | | 16,853,760 | 140,448 |
| **Soft Costs** | | | |
| Accountant Cost Cert: | | 50,000 | |
| Third party (appraisal, inspections, survey etc.) | | 56,500 | |
| Environmental | | 10,000 | |
| Architectural & Engineering | | 505,000 | |
| Other Project Soft Costs | | 1,430,629 | |
| Developer Legal Costs | | 180,000 | |
| Financing Costs - Issuance & Origination | | 363,980 | |
| Financing Legal Costs | | 210,000 | |
| Equity Syndication Costs | | 354,941 | |
| Replacement Reserve: | | 36,000 | |
| Lease Up Reserve | | 100,000 | |
| Operating Deficit Reserve | | 236,569 | |
| Debt Reserve: | | 500,000 | |
| Soft Cost Contingency | 5% | 136,606 | |
| Soft Costs | | 4,170,226 | 34,752 |
| **TOTAL COSTS before Developer Fee** | | **21,323,986** | **177,700** |
| Developer Fee | | 3,717,255 | 30,977 |
| **TOTAL COSTS** | | **25,041,241** | **208,677** |
| **Total Development Costs Excluding Land** | | **24,741,241** | **206,177** |

**SCHEDULE OF FORECASTED BASE-YEAR REVENUES AND EXPENSES**

**Project:** Liberty Square Rising - Phase 4B
**Project County:** Miami Dade

| Income Level Served | Number of BRs | Number of Units | Pro Forma Rent | Annual Rent |
|---|---|---|---|---|
| 50% | 1 | 9 | 579.00 | 62,532 |
| 50% | 2 | 3 | 696.00 | 25,056 |
| 60% | 1 | 81 | 706.00 | 686,232 |
| 60% | 2 | 27 | 849.00 | 275,076 |
| Totals | | 120 | | 1,048,896 |

| ANNUAL OPERATING | | CURRENT Annual | Annual Rents / Unit |
|---|---|---|---|
| Affordable Rents | | 1,048,896 | 8,741 |
| Total Gross Potential Rental Revenue | | **1,048,896** | **8,741** |
| Miscellaneous Revenue | | 12,000 | 100 |
| **Gross Potential Income** | | **1,060,896** | **8,841** |
| Vacancy and Collection Loss[2] | 6% | 63,654 | 530 |
| **EFFECTIVE GROSS INCOME (EGI)** | | **997,242** | **8,310** |
| General & Administrative | | 18,000 | 150 |
| Payroll | | 168,000 | 1,400 |
| Utilities | | 72,000 | 600 |
| Marketing | | 12,000 | 100 |
| Maintenance & repairs | | 42,000 | 350 |
| Security | | 42,000 | 350 |
| Service contracts | | 36,000 | 300 |
| Resident Services | | 50,000 | 417 |
| Management Fee | | 59,835 | 499 |
| Professional services | | 12,000 | 100 |
| Property and Liability Ins. | | 72,000 | 600 |
| **Total Annual Operating Expenses** | | **583,835** | **4,865** |
| Replacement Reserve Deposits | | 36,000 | 300 |
| **NET OPERATING INCOME (LOSS)** | | **$ 377,408** | **$ 3,145** |

OPERATING PROFORMA - Liberty Square Rising - Phase 4B

| Revenue | | Growth | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 | Year 9 | Year 10 | Year 11 | Year 12 | Year 13 | Year 14 | Year 15 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Rental Income** | | | | | | | | | | | | | | | | | |
| Affordable Rents | | 2.0% | 1,048,896 | 1,069,874 | 1,091,271 | 1,113,097 | 1,135,359 | 1,158,066 | 1,181,227 | 1,204,852 | 1,228,949 | 1,253,528 | 1,278,598 | 1,304,170 | 1,330,254 | 1,356,859 | 1,383,996 |
| **Total Rent Revenue** | | | **1,048,896** | **1,069,874** | **1,091,271** | **1,113,097** | **1,135,359** | **1,158,066** | **1,181,227** | **1,204,852** | **1,228,949** | **1,253,528** | **1,278,598** | **1,304,170** | **1,330,254** | **1,356,859** | **1,383,996** |
| | | | | 1.0200 | | | | | | | | | | | | | |
| **Rent Loss** | | | | | | | | | | | | | | | | | |
| Vacancy and Collection Loss | | 6.0% | 63,654 | 64,927 | 66,225 | 67,550 | 68,901 | 70,279 | 71,684 | 73,118 | 74,581 | 76,072 | 77,594 | 79,145 | 80,728 | 82,343 | 83,990 |
| **Total Rent Loss** | | | **63,654** | **64,927** | **66,225** | **67,550** | **68,901** | **70,279** | **71,684** | **73,118** | **74,581** | **76,072** | **77,594** | **79,145** | **80,728** | **82,343** | **83,990** |
| | | | | 1.0200 | | | | | | | | | | | | | |
| **Other Revenue** | | | | | | | | | | | | | | | | | |
| Miscellaneous Revenue | | 2.0% | 12,000 | 12,240 | 12,485 | 12,734 | 12,989 | 13,249 | 13,514 | 13,784 | 14,060 | 14,341 | 14,628 | 14,920 | 15,219 | 15,523 | 15,834 |
| **Total Other Revenue** | | | **12,000** | **12,240** | **12,485** | **12,734** | **12,989** | **13,249** | **13,514** | **13,784** | **14,060** | **14,341** | **14,628** | **14,920** | **15,219** | **15,523** | **15,834** |
| | | | | 1.0200 | | | | | | | | | | | | | |
| **Total Revenue** | | | **997,242** | **1,017,187** | **1,037,531** | **1,058,281** | **1,079,447** | **1,101,036** | **1,123,057** | **1,145,518** | **1,168,428** | **1,191,797** | **1,215,633** | **1,239,945** | **1,264,744** | **1,290,039** | **1,315,840** |
| **Expenses** | | | | | | | | | | | | | | | | | |
| General & Administrative | | 3.0% | 18,000 | 18,540 | 19,096 | 19,669 | 20,259 | 20,867 | 21,493 | 22,138 | 22,802 | 23,486 | 24,190 | 24,916 | 25,664 | 26,434 | 27,227 |
| Payroll | | 3.0% | 168,000 | 173,040 | 178,231 | 183,578 | 189,085 | 194,758 | 200,601 | 206,619 | 212,817 | 219,202 | 225,778 | 232,551 | 239,528 | 246,714 | 254,115 |
| Utilities | | 3.0% | 72,000 | 74,160 | 76,385 | 78,676 | 81,037 | 83,468 | 85,972 | 88,551 | 91,207 | 93,944 | 96,762 | 99,665 | 102,655 | 105,734 | 108,906 |
| Marketing | | 3.0% | 12,000 | 12,360 | 12,731 | 13,113 | 13,506 | 13,911 | 14,329 | 14,758 | 15,201 | 15,657 | 16,127 | 16,611 | 17,109 | 17,622 | 18,151 |
| Maintenance & repairs | | 3.0% | 42,000 | 43,260 | 44,558 | 45,895 | 47,271 | 48,690 | 50,150 | 51,655 | 53,204 | 54,800 | 56,444 | 58,138 | 59,882 | 61,678 | 63,529 |
| Security | | 3.0% | 42,000 | 43,260 | 44,558 | 45,895 | 47,271 | 48,690 | 50,150 | 51,655 | 53,204 | 54,800 | 56,444 | 58,138 | 59,882 | 61,678 | 63,529 |
| Service contracts | | 3.0% | 36,000 | 37,080 | 38,192 | 39,338 | 40,518 | 41,734 | 42,986 | 44,275 | 45,604 | 46,972 | 48,381 | 49,832 | 51,327 | 52,867 | 54,453 |
| Resident Services | | 3.0% | 50,000 | 51,500 | 53,045 | 54,636 | 56,275 | 57,964 | 59,703 | 61,494 | 63,339 | 65,239 | 67,196 | 69,212 | 71,288 | 73,427 | 75,629 |
| Management Fee | | 3.0% | 59,835 | 61,630 | 63,478 | 65,383 | 67,344 | 69,365 | 71,446 | 73,589 | 75,797 | 78,070 | 80,413 | 82,825 | 85,310 | 87,869 | 90,505 |
| Professional services | | 3.0% | 12,000 | 12,360 | 12,731 | 13,113 | 13,506 | 13,911 | 14,329 | 14,758 | 15,201 | 15,657 | 16,127 | 16,611 | 17,109 | 17,622 | 18,151 |
| Insurance | | 3.0% | 72,000 | 74,160 | 76,385 | 78,676 | 81,037 | 83,468 | 85,972 | 88,551 | 91,207 | 93,944 | 96,762 | 99,665 | 102,655 | 105,734 | 108,906 |
| **Total Cost of Operations** | | | **583,835** | **601,350** | **619,390** | **637,972** | **657,111** | **676,824** | **697,129** | **718,043** | **739,584** | **761,772** | **784,625** | **808,164** | **832,408** | **857,381** | **883,102** |
| **Replacement Reserve Deposits** | | 1.5% | **36,000** | **36,540** | **37,088** | **37,644** | **38,209** | **38,782** | **39,364** | **39,954** | **40,554** | **41,162** | **41,779** | **42,406** | **43,042** | **43,688** | **44,343** |
| **Net Operating Income** | | | **377,408** | **379,298** | **381,053** | **382,665** | **384,127** | **385,430** | **386,564** | **387,521** | **388,290** | **388,863** | **389,228** | **389,376** | **389,294** | **388,971** | **388,395** |
| **Debt Service - Hard** | | | | | | | | | | | | | | | | | |
| First Mortgage | | Rate | | | | | | | | | | | | | | | |
| *Interest Payments* | | 4.74% | 252,272 | 249,309 | 246,202 | 242,945 | 239,530 | 235,949 | 232,195 | 228,259 | 224,133 | 219,806 | 215,270 | 210,514 | 205,528 | 200,300 | 194,819 |
| *Principal Payments* | | | 61,170 | 64,133 | 67,240 | 70,498 | 73,913 | 77,493 | 81,247 | 85,183 | 89,310 | 93,636 | 98,172 | 102,928 | 107,914 | 113,142 | 118,623 |
| | Total | | 313,443 | 313,443 | 313,443 | 313,443 | 313,443 | 313,443 | 313,443 | 313,443 | 313,443 | 313,443 | 313,443 | 313,443 | 313,443 | 313,443 | 313,443 |
| **Hard Pay Debt Service** | | | **313,443** | **313,443** | **313,443** | **313,443** | **313,443** | **313,443** | **313,443** | **313,443** | **313,443** | **313,443** | **313,443** | **313,443** | **313,443** | **313,443** | **313,443** |
| *DSCR* | | | *1.20* | *1.21* | *1.22* | *1.22* | *1.23* | *1.23* | *1.23* | *1.24* | *1.24* | *1.24* | *1.24* | *1.24* | *1.24* | *1.24* | *1.24* |
| Surtax | | | | | | | | | | | | | | | | | |
| *Interest Payments* | | 1.00% | 13,000 | 13,000 | 13,000 | 13,000 | 13,000 | 13,000 | 13,000 | 13,000 | 13,000 | 13,000 | 13,000 | 13,000 | 13,000 | 13,000 | 13,000 |
| *Principal Payments* | | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | Total | | 13,000 | 13,000 | 13,000 | 13,000 | 13,000 | 13,000 | 13,000 | 13,000 | 13,000 | 13,000 | 13,000 | 13,000 | 13,000 | 13,000 | 13,000 |
| **Total Debt Service** | | | 326,443 | 326,443 | 326,443 | 326,443 | 326,443 | 326,443 | 326,443 | 326,443 | 326,443 | 326,443 | 326,443 | 326,443 | 326,443 | 326,443 | 326,443 |
| *All-in DSCR* | | | *1.16* | *1.16* | *1.17* | *1.17* | *1.18* | *1.18* | *1.18* | *1.19* | *1.19* | *1.19* | *1.19* | *1.19* | *1.19* | *1.19* | *1.19* |
| **Before Tax Cash Flow** | | | 50,965 | 52,855 | 54,610 | 56,223 | 57,685 | 58,987 | 60,121 | 61,078 | 61,848 | 62,421 | 62,786 | 62,933 | 62,851 | 62,528 | 61,952 |
| **Deferred Developer Fee Balance** | | | 562,661 | 516,696 | 468,991 | 419,685 | 368,926 | 316,869 | 263,679 | 209,528 | 154,599 | 99,085 | 43,188 | - | - | - | - |
| LP Asset Management Fee: | | 3.0% | 5,000 | 5,150 | 5,305 | 5,464 | 5,628 | 5,796 | 5,970 | 6,149 | 6,334 | 6,524 | 6,720 | 6,921 | 7,129 | 7,343 | 7,563 |
| Deferred Developer Fee and Interest: | | | 45,965 | 47,705 | 49,306 | 50,759 | 52,057 | 53,191 | 54,151 | 54,929 | 55,514 | 55,897 | 43,188 | - | - | - | - |
| **Cash Flow after Developer Fee** | | | - | - | - | - | - | - | - | - | - | - | 12,878 | 56,012 | 55,722 | 55,185 | 54,389 |

Community Capital

February 2, 2016

Mr. Alberto Milo, Jr.
Related Urban Development Group ("RUDG")
444 Brickell Avenue Suite 301
Miami, FL 33131

**Re: Commitment to utilize Private Activity Volume Cap to finance Multifamily Rental Projects relating to the new construction of eight projects to be known as Liberty Square Rising Phase 1A, Liberty Square Rising Phase 1B, Liberty Square Rising Phase 2, Liberty Square Rising Phase 4B, Liberty Square Rising Phase 4C, and Liberty Square Rising Phase 4D located in Miami-Dade County, Florida (the "Property" or "Properties")**

Ladies and Gentlemen:

Citibank, N.A.("CITI") is pleased to offer to RUDG ("Sponsor"), as the Sponsor of to-be-formed affiliates ("Borrower" or "Borrowers"), this commitment ("Commitment") for financing , subject to the terms, requirements and conditions which follow. All capitalized terms used herein, unless otherwise defined, shall have the meaning set forth on Exhibit A annexed hereto and incorporated herein by this reference (the "Commitment Terms"). CITI's decision to issue this Commitment was made in reliance upon the representations and material supplied by Sponsor and Sponsor's representatives, as more particularly described on Exhibit B annexed hereto. CITI understands that Sponsor intends to submit this Commitment to Miami-Dade County Housing Finance Authority ("Governmental Lender") in support of Sponsor's application to obtain 1) private activity volume cap allocation(s) with respect to the financing of the Properties and 2) soft financing from Miami-Dade County. **This Commitment is subject to, among other things, CITI completing due diligence to confirm the representations made by Sponsor and obtaining credit committee approval.**

**In connection with this Commitment, CITI will be acting solely as a principal and not as your agent, advisor or fiduciary. CITI has not assumed a fiduciary responsibility with respect to this Commitment, and nothing in this Commitment or in any prior relationship between you and CITI will be deemed to create an advisory, fiduciary or agency relationship between us in respect of this Commitment. You should consider carefully whether you would like to engage an independent advisor to represent or otherwise advise you in connection with this Commitment, if you have not already done so.**

**A. Transaction Summary.** The terms of the tax-exempt financing transaction (the "Transaction") that is the subject of this Commitment is as follows:

1. On the issuance date (the "Closing Date"), CITI shall fund a loan (the "Funding Loan") to Governmental Lender, and Governmental Lender shall simultaneously issue a note (the "Governmental Lender Note") to CITI. The proceeds of the Funding Loan shall be used by Governmental Lender to make a tax-exempt loan (the "Tax-Exempt Loan" or the "Borrower Loan") to Borrower to finance the Property, for which the Governmental Lender receives a borrower note (the "Borrower Note"). Borrower shall be responsible for securing the issuance and delivery of the Tax-Exempt Loan by the Governmental Lender.

2. Upon closing of the transaction, the rights of Governmental Lender in the Borrower Loan and all documents evidencing and securing the Borrower Loan (the "Borrower Loan Documents") shall be assigned to a fiscal agent, which may be CITI (the "Fiscal Agent"), as security for the

Governmental Lender's obligations to CITI evidenced by the Governmental Lender Note. CITI will administer and direct the disbursement of the proceeds of the Funding Loan and the Borrower Loan and will oversee the construction work to be performed on the Property (the "Improvements"). The completion of the Improvements and all related work shall be performed during the Construction Phase (as hereinafter defined).

3. CITI shall have the right to engage a third party servicer ("Servicer") to provide limited servicing/oversight functions on behalf of CITI pursuant to a separate servicing agreement with CITI. CITI shall pay Servicer any applicable servicing fee.

4. Intentionally Omitted

5. CITI anticipates that CITI's interest in the Tax-Exempt Loan may be transferred to any eligible investor, which may be a government sponsored enterprise or institutional investor (or a trust for the benefit thereof) and CITI's underwriting and documentation will provide for the possibility of such transfer.

**B. Conditions Precedent to Closing.** The obligation of CITI to make the Funding Loan is subject to satisfaction of the following conditions precedent ("Conditions Precedent to Closing"), in each case in a manner acceptable to CITI. The form and substance of all documents and items submitted by Borrower hereunder must be acceptable to CITI and its counsel.

1. Credit Approval. This Commitment is subject, among other things, to CITI obtaining final credit committee approval. Sponsor understands and agrees that this is subject to final approvals as set forth in Part E.4. of this Commitment and is not an agreement to make a loan. Any documentation will be forthcoming only after final approval of the underwriting by CITI's credit committee. The financing will be documented separately and will contain terms and conditions that may be in addition to or in substitution of those set forth in the Commitment.

2. Documents. Borrower shall duly authorize, execute and deliver or cause to be delivered at closing a Multifamily Note, a Multifamily Deed of Trust, Deed to Secure Debt or Mortgage, where appropriate (the "Security Instrument"), a Guaranty or Guarantees (including a Completion and Payment Guaranty for the Construction Phase and a Non-recourse Carve-out Guaranty), an Agreement of Environmental Indemnification, a Replacement Reserve Agreement, a Construction Funding Agreement, Assignments and any other assignment, financing statement, agreement or document required by CITI in connection with the Loan (collectively, the "Mortgage Documents"). The Funding Loan Agreement, the Regulatory Agreement, the Borrower Loan Agreement, the Borrower Note and all other documents executed or issued in connection with the transaction shall be referred to, collectively, as the "Tax-Exempt Loan Documents". The Security Instrument and Borrower Note shall initially be for the benefit of Governmental Lender and shall be assigned on the Closing Date to CITI. The Tax-Exempt Loan Documents must be in a form satisfactory to CITI and Governmental Lender. Where appropriate, the Mortgage Documents and the Tax-Exempt Loan Documents shall be acknowledged, recorded and filed in the public record, and all recording receipts promptly delivered to CITI.

3. Title Insurance. Borrower shall promptly deliver to CITI a commitment for a mortgagee's title insurance policy, prepared in accordance with CITI's title insurance instructions, along with a pro forma policy in the form included in such instructions. The title insurance commitment and policy must satisfy all of the requirements of such instructions and include such other coverage and endorsements as CITI may require. The company and/or agent issuing the commitment shall be acceptable to CITI in all respects. Borrower shall also furnish CITI with copies of all instruments affecting title to the Property including, but not limited to, all instruments referenced in Schedule B of the pro forma policy.

4. UCC Search/Perfection. Borrower shall commission UCC searches in the real estate records and personal property records of the following jurisdictions and shall furnish written reports of such searches to CITI: (i) the jurisdiction where the Property is located, (ii) any other jurisdiction in which Borrower has its principal office for the conduct of its business, (iii) in the central UCC filing location specified by the law of the state where the Property is located, and (iv) any other office where filing is necessary to perfect Governmental Lender's or Fiscal Agent's security interest in the Collateral (as hereinafter defined). All such searches shall be updated to the time of recordation of the Mortgage Documents and shall show no security interests affecting the Property, Guarantor or Borrower, other than those naming Governmental Lender or Fiscal Agent as the secured party. Borrower shall cause the appropriate filing of financing statements, on forms supplied by CITI, evidencing Governmental Lender's or Fiscal Agent's perfected first priority security interest in all personal property, machinery, equipment, building materials, contract rights, furniture, fixtures, royalties, receivables and other rights related thereto, as well as all leases, rents, revenues and proceeds therefrom and all proceeds of the foregoing (collectively, the "Collateral"). Such filing shall be in compliance with both the Uniform Commercial Code, as adopted in the state in which the Property is located, and all other applicable laws affecting the perfection of security interests. Borrower shall furnish to CITI, promptly upon recordation, receipted or time stamped copies of the filed financing statements.

5. Authority. Borrower shall furnish to CITI certified documents satisfactory to CITI evidencing Borrower's power and authority to enter into the Mortgage Documents and the Tax-Exempt Loan Documents. If Borrower is a corporation, such documents shall include Borrower's Articles of Incorporation, Bylaws, corporate resolution relevant to the Loan and a Certificate of Good Standing from the state of incorporation and the state where the Property is located. If Borrower is a partnership, such documents shall include a copy of the partnership agreement and partnership certificate, and the above-referenced corporate documents for any corporate general partner of Borrower. If Borrower is a limited liability company, such documents shall include a copy of the Articles of Organization and Operating Agreement and the Certificate of Authenticity or Certificate of Good Standing from the state of organization and the state where the Property is located.

6. Leases. The standard form of lease used at the Property shall be subject to the prior written approval of CITI. All new leases and renewals of existing leases shall be made on the approved standard form of lease unless otherwise agreed to by CITI. There must be no commercial leases affecting the Property, except for any laundry lease and other commercial lease disclosed in writing to and approved in writing by CITI and its counsel prior to the date of this Commitment. Any current commercial lease or laundry lease must be subordinated to the lien of the Security Instrument and other Mortgage Documents. Borrower agrees that any future commercial lease or laundry lease or renewal of any current commercial lease or laundry lease will contain language acceptable to CITI subordinating said lease to the lien of the Security Instrument and other Mortgage Documents. There must be no default under any current commercial lease or laundry lease.

7. Borrower's Management Agreement. Borrower shall furnish to CITI a copy of Borrower's management agreement. The management agreement must be with a professional management company and both the management company and the terms of the management agreement must be approved in writing by CITI. Borrower shall not make or permit to be made any changes to the management agreement without the prior written approval of CITI. Without limiting the foregoing, the management agreement must be terminable by owner on 30 days' notice, with or without cause and without payment of any termination fee. If required by CITI, a portion of the management fee

may be required to be subordinated to debt service and other amounts payable with respect to the Loan.

8. Rent Roll. [not applicable]

9. Appraisal. CITI shall have received an appraisal of the Property satisfactory to CITI.

10. Opinion of Borrower's Counsel. Borrower shall deliver to CITI a written opinion by Borrower's counsel approved by CITI, addressed to CITI, Issuer and Bond Trustee and in the form furnished or approved by CITI's counsel.

11. Insurance. Borrower shall deliver to CITI an insurance policy evidencing the existence of insurance relating to the Property, which evidence shall include "paid" premium invoices, conforming in all respects to CITI's insurance requirements as provided to Borrower in a separate package, as same may, from time to time, be modified. Such insurance for the Property shall include, without limitation, coverage for acts of terrorism and, if applicable, flood insurance (as more particularly set forth in Paragraph 17 below). In addition, Borrower must deliver prior to closing (i) the original, or a copy certified by the insurance agent, of the policy(ies) of insurance; or (ii) the insurance binder; or (iii) a certificate of insurance (Acord Form 28 property or Acord Form 27 liability or other form, satisfactory to Lender, provided by the insurance agent); or (iv) original letter from the insurance carrier on the primary layer, signed by an officer of such carrier, attaching the form of insurance policy pursuant to which coverage is being provided, and, if applicable, original letter from each insurance carrier on the excess layers, signed by an officer of such carrier(s) agreeing that it is bound to the form of insurance policy delivered by the primary carrier *(i.e.*, agreeing to "follow form" to the primary carrier). The letter must set forth the date by which the policy will be delivered to CITI, which must not be more than sixty (60) days following closing. All mortgagee/loss payee/additional insured endorsements must be attached to the letter.

12. Permits/Occupancy. Borrower shall deliver to CITI evidence satisfactory to CITI that all applicable governmental authorities have authorized construction of the Improvements and the development and, if applicable, the operation of the Property as a multifamily residential unit, including, without limitation, occupancy permits (if applicable) and building permits. Any nonresidential occupancy must be approved in writing by CITI.

13. Zoning/Subdivision. Borrower shall deliver to CITI certification from the local governmental authority (i) that the use of the Property as a multifamily residential complex complies with all zoning and subdivision ordinances and regulations applicable to the Property and that it is either a legal, conforming use or a legal, nonconforming use acceptable under CITI's underwriting standards, (ii) that the Property has been properly subdivided, and (iii) that the improvements on the Property can be rebuilt on the same location to their presently existing size, shape and density if partially or totally destroyed.

14. Access/Utilities. Borrower shall deliver to CITI evidence satisfactory to CITI that the Property is located on a publicly dedicated and maintained roadway or acceptable easement thereto, is served by public water and sewer systems, electricity and telephone service, and receives adequate municipal services (fire, police and transportation, among others).

15. Other Compliance. Borrower shall deliver to CITI evidence satisfactory to CITI that the Property, and Borrower's operation thereof, is in compliance with all local and/or state building, safety, health and fire codes, all clean air and water acts and other Hazardous Materials Laws (as hereinafter defined), and all equal opportunity, anti-discriminatory and fair housing requirements.

16. Survey. Borrower shall deliver to CITI a current, certified, "boundary" or "as-built" (as applicable) ALTA survey of the Property and surveyor's certificate, prepared by a registered engineer or surveyor approved by CITI. The survey and surveyor's certificate shall be satisfactory in form and substance to CITI and shall contain those matters set forth in CITI's survey instructions.

17. Flood Zone Map/Certification/Insurance. Borrower shall deliver to CITI a certification from Borrower's architect, engineer or surveyor stating whether the Property is located in a designated special Flood Plain Hazard area, as designated by appropriate federal agencies. If all or any portion of the Property is at any time during the term of the Loan, located in such an area, Borrower shall provide satisfactory evidence to CITI of the existence of flood insurance policies in the maximum amount required pursuant to applicable laws covering all of the improvements on the Property which lie within, are bounded by, or are in any way affected by such area.]

18. Operating Documents. Borrower shall furnish copies of any form documents used for the Property and any equipment leases, licenses, franchises, permits, contracts, and any other agreements required for the operation, use, management or occupancy of the Property, and all such items shall be subject to written approval by CITI.

19. Financial Statements of Borrower and Guarantor. CITI shall receive, for its review and approval detailed financial statements for Borrower, any principal in Borrower and each Guarantor, certified by Borrower, such principal or the Guarantor, as the case may be. CITI may also require updated and/or recertified financial statements as of the Closing Date.

20. Environmental Assessment Report. CITI shall receive and approve a written report or reports from CITI's independent environmental inspectors confirming that the Property and any site within the vicinity of the Property (i) has not contained and does not currently contain any Hazardous Material or underground storage tanks or any other pollutants that could be detrimental to the Property, human health or the environment, (ii) does not contain radon gas in levels unacceptable to CITI, (iii) complies with all applicable Hazardous Material Laws and has not been identified by any environmental regulatory body as a site containing Hazardous Material or underground storage tanks, (iv) shows no other environmental problem that would bring the Property within the purview of any federal, state or local environmental law or ordinance, and (v) contains no residual effect due to the removal of storage tanks or Hazardous Material. All deficiencies with respect to any environmental matters which CITI deems to be material shall be corrected by Borrower at its own expense to the satisfaction of CITI. "Hazardous Material" means and includes, without limitation, mold, asbestos and any substance containing asbestos, the group of organic compounds known as polychlorinated biphenyls, flammable explosives, radioactive materials, lead-based paint, chemicals known to cause cancer or reproductive toxicity, pollutants, effluents, contaminants, emissions or related materials and any items included in the definition of hazardous or toxic wastes, materials or substances under the Hazardous Material Laws. "Hazardous Material Laws" means and includes, all federal, state and local statutes, ordinances, regulations, orders, and decrees now or hereafter promulgated in connection with preserving the environment and/or the handling, storage, transport and disposal of Hazard Material.

21. Separate Tax Parcel(s). The Property shall constitute one or more separate and distinct tax parcels for purposes of all real estate taxes and assessments. There shall be no overlap whatsoever between the Property and any other property which will not be subject to the first lien of the Security Instrument. Borrower shall also furnish the most recent tax bills for the Property.

22. Opinion of Tax Counsel. CITI must receive from nationally recognized tax counsel approved by CITI an unqualified opinion (i) as to the validity and enforceability of the Tax-Exempt Loan, (ii) that the interest on the Tax-Exempt Loan is excluded from the gross income of

the owners thereof for federal income tax purposes under the Internal Revenue Code of 1986, as amended, and (iii) that the interest on the Tax-Exempt Loan is excluded from the gross income of the owners thereof for state income tax purposes if such exclusion is available under state law. Tax counsel must have (a) addressed its opinion to CITI, (b) addressed its opinion to CITI or (c) provided CITI a letter, addressed to CITI, stating that CITI may rely upon the opinion. Both the opinion and, if applicable, the reliance letter must be satisfactory to CITI.

23. Governmental Lender Requirements. CITI must receive evidence that Governmental Lender shall not impose restrictions, requirements or conditions in connection with its willingness to issue the Tax-Exempt Loan that are unacceptable to CITI. The restrictions imposed by the Tax-Exempt Loan Documents must be consistent with the restrictions on the use of the Property, on the income of tenants and on any rent charge that was used in underwriting the Funding Loan.

24. Low-Income Housing Tax Credits ("LIHTC"). CITI must approve any land use restriction agreement or regulatory agreement regulating or restricting the use or manner of operation of the Property and requiring that the Property be operated as a residential rental project occupied by individuals of low income (as provided for in the Treasury Regulations under Section 42(g) of the Internal Revenue Code). Such regulatory agreement must provide that the Property shall at all times be operated in such manner as to comply with the requirements of the Internal Revenue Code, the Treasury Regulations and IRS Rulings for obtaining and for preserving the LIHTC. In addition, the eligibility of the Property for LIHTC shall be evidenced to CITI in a manner satisfactory to CITI. Such regulatory agreement must be reviewed and approved in writing by CITI.

25. Equity and Funding Conditions. CITI must approve the partners/members (including the Tax Credit Investor), the applicable investment agreement, and the organizational documents of Borrower. CITI must receive and approve evidence satisfactory to CITI in all respects that the amount of the equity contribution is projected to be at least the level used by CITI in underwriting the transaction. Borrower's organizational documents shall contain restrictions acceptable to CITI on the syndication or other transfer of the Tax Credit Investor's interest, in whole or in part (including any interest therein), to eligible investors. In addition, prior to the Closing Date, CITI must receive and approve evidence satisfactory to CITI in all respects that Borrower (i) has timely received all required equity contributions to be made to Borrower as of the Closing Date, (ii) has fully funded, for the benefit of the Property, all cash required to be invested in the Property as of the Closing Date, and (iii) has made satisfactory arrangements to fund all cash required to be funded after the Closing Date. Borrower must also provide and CITI must approve in writing any developer's agreement relating to the Property.

26. Construction Phase Budget. CITI will require satisfactory evidence that other funds and Loan Proceeds are adequate to complete the Improvements and carry the costs of the Property (including but not limited to interest, taxes, insurance, and operating costs), as determined by CITI based upon its review of scope of work, the Appraisal and other relevant information. CITI reserves the right to receive, review and approve all project expenditures made prior to closing.

27. Architectural Consultant and Construction Inspector. CITI shall have approved an architectural consultant to monitor the progress of the Improvements (the "Architectural Consultant") and Borrower and the Architectural Consultant shall have executed and delivered to CITI an agreement in form and substance acceptable to CITI, pursuant to which the Architectural Consultant shall agree to certify hard cost progress payments and to provide the certifications required pursuant to this Commitment upon completion of the Improvements. In addition, CITI will enter into an agreement directly with a construction inspector ("Construction Inspector") for the benefit of CITI, but at the sole cost and expense of Borrower, to review the

plans and specifications, contracts and budget for the Improvements and to monitor the progress of the construction of the Improvements in the manner required by CITI.

28. Approved Plans. CITI and its engineering consultants and the Construction Inspector shall have received and approved the plans and specifications for the Improvements (such plans and specifications, as approved by CITI are referred to herein as the "Approved Plans"), the budget for completion of the Improvements, a fixed or a guaranteed maximum price contract for completion of the Improvements with a general contractor acceptable to CITI and a construction draw schedule for the Improvements.

29. Change Orders. The Approved Plans and the Construction Contract, and any change orders issued thereunder, will be subject to the approval of CITI.

30. Contractors. The architect, general contractor and such other contractors and subcontractors with respect to the Property as shall be identified by Borrower and approved by CITI shall have acknowledged the collateral assignment of their respective contracts to CITI and agreed in writing to continue performance on behalf of CITI under their respective contracts without additional cost in the event of a default by Borrower, which agreements shall be in form and substance acceptable to CITI and its counsel.

31. Payment and Performance Bonds. To the extent indicated on Exhibit A hereto, Borrower shall be required to deliver to CITI payment and performance bonds with respect to its contractor and major subcontractors (as determined by CITI).

32. Additional Documents. Upon request by CITI, Borrower shall furnish CITI with any documentation being furnished to any other party lending or investing in the Property (including CITI), including any plans for the Improvements, construction budgets, contracts and disbursement requests. In addition, Borrower shall deliver to CITI all other documents, instruments and other items required by CITI in connection with the making of the Funding Loan.

33. Additional Funding Requirements: All final documentation and due diligence must be delivered to tax counsel and/or counsel to CITI prior to the release of any funds for the Funding Loan, and under no circumstances will CITI authorize the closing of the Funding Loan until counsel to CITI has received the following final documentation: Trust Indenture, Funding Loan Agreement, Tax Certificate (or comparable document), Multifamily Note(s), the regulatory agreement/land use restriction agreement associated with the Tax-Exempt Loan, TEFRA approval(s), Governmental Lender's resolution(s), proof of volume allocation, , IRS Form 8038, final opinions of tax counsel and Borrower's counsel, any enhancement instrument, and, if applicable, all documentation required from HUD.

34. Fees and Expenses. Borrower shall have paid the Financing Fee (as hereinafter defined) and any other costs and expenses then due and payable pursuant to the provisions of this Commitment.

C. Intentionally Omitted

D. **Fees and Expenses.** Borrower shall be responsible for the following fees and expenses in connection with the financing:

1. Application Fee. Borrower hereby acknowledges requirement of an application fee (the "Application Fee") as set forth in the Commitment Terms, which amount shall be non- refundable. In the event additional funds are required to complete CITI's review and due diligence, Borrower will be advised of such costs in advance. Any and all additional costs will be billed to Borrower as they are incurred. The Application Fee is applicable toward third party reports,

underwriting and processing (as set forth in the Commitment Terms), and CITI's legal fees.

2. Origination Fee. The Origination Fee as set forth in the Exhibit A shall be due and payable on the Closing Date. The Origination Fee reflects a fee payable to CITI in exchange for providing financing for the Project.

3. Conversion Fee. Not applicable.

4. Fees and Expenses. Sponsor shall pay when due, whether or not the closing occurs, all reasonable and actual expenses, fees and charges with respect to the cost of issuance of the Tax-Exempt Loan (including tax and Governmental Lender counsel fees, Governmental Lender fees, Fiscal Agent fees, Fiscal Agent counsel fees, financial advisor fees, printing and mailing costs and other Tax-Exempt Loan related fees and costs), and the Tax-Exempt Loan processing and closing, or in any way connected therewith, including, without limitation, appraisal fees, survey costs, title insurance costs, architectural fees, engineering fees, inspection fees, mortgage or similar taxes and all attorneys' fees and legal costs of CITI. Without limiting the foregoing, Sponsor specifically agrees to pay all costs relating to document preparation and review of real estate due diligence items by counsel to CITI.

**E. Assignment; Acceptance; Termination.**

1. Acceptance. In order for this Commitment to be binding on CITI, Sponsor must execute a copy of this Commitment and return it, along with the Application Fee to CITI within five (5) business days after the date first set forth above (the "Outside Acceptance Date"), time being of the essence.

2. Expiration. This Commitment must be accepted on or before the Outside Acceptance Date, and the Tax-Exempt Loan must be issued prior to the Outside Closing Date set forth in the Commitment Terms, or this Commitment shall terminate and be of no further force and effect; provided, however that the provisions of this Commitment that explicitly survive termination shall continue in full force and effect. In the event that Sponsor does not obtain an allocation for the full amount of the Tax-Exempt Loan at least thirty (30) days prior to the Outside Closing Date, or the issuance of the Tax-Exempt Loan and the making of the Funding Loan by CITI does not occur by the Outside Closing Date, Sponsor may request an extension of this Commitment (not to exceed ninety (90) days), which extension shall be in Citi's sole discretion. In the event the requested extension is approved by CITI in its sole discretion, in addition to the Financing Fee and other amounts due hereunder, Sponsor shall pay to CITI a commitment extension fee equal to 0.25% (25 basis points) of the Construction Phase Amount on the Closing Date.

3. Termination. CITI may terminate this Commitment at any time if:

a. Any material adverse change (financial or otherwise) shall occur at any time prior to the Closing Date with respect to (i) the Property, the proposed Improvements, and/or the other security for the Tax-Exempt Loan, or (ii) the credit of Borrower and/or Sponsor (and/or any of the principals of Borrower and/or Sponsor) or any Guarantor or any other person or entity connected with the Loan, or (iii) any other source of repayment of the Loan.

b. Any part of the Property shall have been taken in condemnation or other like proceeding, or any such proceeding is pending or threatened as of the Closing Date, or any part of the Property is damaged and not repaired to CITI's satisfaction prior to the Closing Date.

c. If requested, certifications of the non-occurrence of (a) and (b) above, in form acceptable to CITI, are not executed by Borrower on the Closing Date, or if Borrower has not delivered on the Closing Date updated personal financial statements for any Guarantor.

d. After acceptance of this Commitment, the Tax-Exempt Loan is not issued and closed on or prior to the Outside Closing Date (as the same may be extended pursuant to Section E2.).

e. If, in CITI's sole judgment, CITI's underwriting and due diligence indicate the reasonable possibility of a material adverse change in the Property, the proposed Improvements, the Sponsor, the Borrower and/or any Guarantor.

f. If the OFAC representation and warranty in Section F5. is no longer true and correct.

4. Upon termination, Sponsor shall pay to CITI any other reasonable damages CITI may have incurred due to non-delivery of the Tax-Exempt Loan. **Sponsor's or Borrower's obligation to pay all amounts due under this Commitment shall survive the termination or expiration of this Commitment.** If Sponsor or Borrower fails or refuses to comply with the terms of this Commitment, CITI, at its option, shall have the right to enforce any rights and remedies it may have at law or in equity, including, but not limited to, the collection of costs and expenses arising out of such breach, including reasonable attorneys' fees and disbursements.

5. Final Underwriting. By accepting this Commitment, Sponsor expressly acknowledges that the obligation of CITI to provide the Funding Loan is subject to the completion of final loan underwriting by CITI, final CITI loan committee approval, and the satisfaction of any additional or differing conditions including interest rates that may be required by CITI as a result of such committee approval. By accepting this Commitment, Sponsor expressly acknowledges that the obligation of CITI to provide the financing described in this Commitment is subject to the satisfaction of the obligations and terms and conditions required by Citi for new construction and rehabilitation projects.

F. **Miscellaneous**.

1. Further Assurances. Sponsor hereby expressly acknowledges that CITI intends to incur costs upon acceptance of this Commitment. Upon acceptance of the Commitment, Sponsor shall be strictly obligated to close the transaction contemplated hereby. Sponsor acknowledges that failure to close the transaction will subject CITI to substantial costs and damages. Therefore, Sponsor hereby expressly agrees:

a. To perform all of the requirements, terms and conditions contained herein at the time and in the manner herein and as required by CITI.

b. Refrain from taking any action that would result in CITI's inability to arrange for the making of the Funding Loan.

c. On the request of CITI, to re-execute or ratify any of the Mortgage Documents and/or the Tax-Exempt Loan Documents, or execute any other documents as may be reasonably necessary to effect the delivery of the Tax-Exempt Loan to any investor.

2. Indemnification for Brokerage Commissions. Sponsor acknowledges and agrees that any fees due for tax-exempt loan or related mortgage loan origination services shall be Borrower's sole responsibility. Borrower and Sponsor shall indemnify and hold CITI harmless from and against any and all claims, demands and liability for brokerage commissions, assignment fees, finders' fees or other compensation whatsoever arising from the issuance of this Commitment, the making of

the Tax-Exempt Loan that may be asserted against CITI by any person or entity. **Sponsor's and Borrower's obligation to indemnify CITI hereunder shall survive the termination or expiration of this Commitment.**

3. Authorization. Sponsor and the undersigned Guarantor hereby authorize CITI to obtain and forward any and all credit information, including credit reports and financial statements and all other information of any kind received or reasonably required in connection with this Commitment to any rating agency and to any potential investor.

4. Exclusivity. The terms and provisions of this Commitment are intended for the sole and exclusive benefit of CITI and Borrower, and not for the benefit of, nor for the purpose of being relied upon, by any other party.

5. OFAC Provisions. Sponsor hereby represents and warrants that no portion of the Property has been or will be purchased, improved, equipped or furnished with proceeds of any illegal activity. Sponsor further represents and warrants that to the best of Sponsor's knowledge, after having made diligent inquiry, Sponsor, Borrower, each Person owning a direct or indirect interest in Borrower, each Guarantor, each person owing a direct or indirect interest in each Guarantor, the Property Manager, and each tenant at the Property: (a) is not currently identified on OFAC List, and (b) is not a Person with whom a citizen of the United States is prohibited to engage in transactions by any trade embargo, economic sanction, or other prohibition of United States law, regulation, or Executive Order of the President of the United States. The Sponsor further acknowledges and agrees that it shall have a continuing obligation during the processing of this Commitment to notify CITI promptly if it knows or has reason to believe that the representations and warranties contained herein are no longer correct. Sponsor has implemented procedures, and will consistently apply those procedures throughout the term of the Tax-Exempt Loan, to ensure the foregoing representations and warranties remain true and correct during the term of the Tax-Exempt Loan. For the purposes hereof, "OFAC List" means the list of specially designated nationals and blocked persons subject to financial sanctions that is maintained by the U.S. Treasury Department, Office of Foreign Assets Control and any other similar list maintained by the U.S. Treasury Department, Office of Foreign Assets Control pursuant to any Requirements of Law, including, without limitation, trade embargos, economic sanctions, or other prohibitions imposed by Executive Order of the President of the United States, which OFAC List is accessible through the internet website http://www.treasury.gov/ofac/downloads/t11sdn.pdf, and "Person" means an individual, partnership, limited partnership, corporation, limited liability company, business trust, joint stock company, trust, unincorporated association, joint venture, governmental authority or other entity of whatever nature.

6. Borrower's Representations. The validity of this Commitment and CITI's obligations hereunder shall at all times be subject to the accuracy and validity of all information and representations furnished by Sponsor to CITI with regard to the Tax-Exempt Loan , which shall have been and shall continue to be true and not misleading in all material respects.

7. Loan Data. All inspections, reports, appraisals, environmental studies or other data submitted to, commissioned for, conducted or produced by or for CITI are for its benefit and use and shall be the property of CITI. No right of inspection or approval contained in this Commitment shall be deemed to impose upon CITI any duty or obligation whatsoever to take any action or to notify any person with respect thereto, and no liability shall be imposed upon any such party and no warranty shall be deemed or construed to arise by reason of any inspection undertaken or approval given by any such party, its agents, employees or representatives, any such inspections and approvals being made solely for the benefit of such party. **The provisions of this paragraph shall survive the termination or expiration of this Commitment.**

8. Discretion. In any instance where the consent or approval of CITI may be given or is required, or where any determination, judgment or decision is to be rendered by CITI under this Commitment, the granting, withholding or denial of such consent or approval and the rendering of such determination, judgment or decision shall be made or exercised by CITI (or its designated representative) at its sole and exclusive option and in its sole and absolute discretion.

9. Waiver. CITI reserves the right, in its sole discretion, to waive in whole or part any of the terms, requirements and conditions in this Commitment, the Mortgage Documents, the Bond Documents or other documents referenced herein; provided, however, that such waiver shall in no event be construed to constitute a waiver of the applicable terms, requirements or conditions as they may apply in the future.

10. Successors and Assigns. Sponsor acknowledges and agrees that CITI at its option may assign or otherwise transfer the Bonds and all documents evidencing and securing the Bonds including, but not limited to, this Commitment, to other parties subsequent to the execution of this Commitment. Neither Sponsor nor Borrower may assign its rights, interest, or obligations under this Commitment without first obtaining CITI's prior written consent. This Commitment shall be binding upon the successors and permitted assigns of Borrower.

11. Governing Law. This Commitment shall be governed by and construed in accordance with the laws of the State of New York. Sponsor agrees that any legal action that may arise out of this Commitment will be commenced only in the United States District Court, Southern District of New York, or New York State Courts sitting in New York County, New York, and Sponsor hereby submits to the jurisdiction of any such court. All Mortgage Documents and Bond Documents (other than this Commitment) shall be governed by the laws of the State where the Property is situated. **The governing law election with respect to this Commitment shall survive the termination or expiration of this Commitment.**

12. WAIVER OF TRIAL BY JURY. SPONSOR AGREES NOT TO ELECT A TRIAL BY JURY WITH RESPECT TO ANY ISSUE ARISING OUT OF THIS COMMITMENT OR THE RELATIONSHIP BETWEEN BOND PURCHASER, BONDHOLDER REPRESENTATIVE AND BORROWER OR SPONSOR THAT IS TRIABLE OF RIGHT BY A JURY AND WAIVES ANY RIGHT TO TRIAL BY JURY WITH RESPECT TO SUCH ISSUE TO THE EXTENT THAT ANY SUCH RIGHT EXISTS NOW OR IN THE FUTURE. THIS WAIVER OF RIGHT TO TRIAL BY JURY IS GIVEN BY SPONSOR KNOWINGLY AND VOLUNTARILY WITH THE BENEFIT OF COMPETENT LEGAL COUNSEL AND APPLIES TO ALL ACTIONS WHETHER ARISING IN CONTRACT, TORT, EQUITY OR OTHERWISE. **THIS PROVISION SHALL SURVIVE THE TERMINATION OF EXPIRATION OF THIS COMMITMENT.**

13. Survival. The covenants, terms and conditions set forth in this Commitment shall not survive the Closing Date (unless expressly provided to the contrary). In the event of any conflict between this Commitment and the Mortgage Documents and/or the Bond Documents, the Mortgage Documents and/or the Bond Documents, as applicable, shall prevail.

14. Confidentiality The provisions of this Commitment and all of the terms and conditions contained herein are confidential and Sponsor shall not share this Commitment, or the terms and conditions contained herein, with any third party; provided however, Sponsor may show this Commitment to the Issuer and to Miami-Dade County in connection with its application for issuance of the Bonds. **This confidentiality provision shall survive the termination or expiration of this Commitment.**

15. Anti Tying Policy. CITI maintains a policy of strict compliance to the anti-tying provisions of the U.S. Bank Holding Company Act of 1956, as amended, and the regulations issued

by the Federal Reserve Board implementing the anti-tying rules (collectively, the "Anti-tying Rules"). Moreover, our credit policies provide that credit must be underwritten in a safe and sound manner and be consistent with Section 23B of the Federal Reserve Act and the requirements of federal law. Consistent with these requirements and our Anti-tying Policy:

a. The extension of commercial loans or other products or services to you by CITI or any of its subsidiaries will not be conditioned on your taking other products or services offered by CITI or any of its subsidiaries or affiliates, unless such a condition is permitted under an exception to the Anti-tying Rules.

b. CITI will not vary the price or other terms of any product or service offered by CITI or its subsidiaries on the condition that you purchase another product or service from CITI or any of its affiliates, unless CITI is authorized to do so under an exception to the Anti-tying Rules.

c. CITI will not require you to provide property or services to CITI or any affiliate of CITI as a condition to the extension of a commercial loan to you by CITI or any of its subsidiaries, unless such a requirement is reasonably required to protect the safety and soundness of the loan.

d. CITI will not require you to refrain from doing business with a competitor of CITI or any of its affiliates as a condition to receiving a commercial loan from CITI or any of its subsidiaries, unless the requirement is reasonably designed to ensure the soundness of the Loan.

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If you have any questions relating to this Commitment, or if we can be of any further assistance, please do not hesitate to let us know.

Very truly yours,

CITIBANK, N.A., a national banking association

By: _____

Name: Kathy Millhouse

Title: Vice President

The undersigned hereby accepts the foregoing Commitment and agrees to be bound by the terms, requirements and conditions set forth herein.

Date: 2/4/16

**SPONSOR:**

By: _____

Name: Alberto Milo, Jr

Title: Senior V.P.

# EXHIBIT A

## COMMITMENT TERMS

## TERM SHEET

## Multifamily Rental Developments with Rent Restrictions
## New Construction

## Tax-Exempt "Back-to-Back" Loan Structure

**Liberty Square Rising Phase 1A**
**Liberty Square Rising Phase 1B**
**Liberty Square Rising Phase 2**
**Liberty Square Rising Phase 4B**
**Liberty Square Rising Phase 4C**
**Liberty Square Rising Phase 4D**

**February 2, 2016**

NOTE: This Term Sheet constitutes a brief summary of certain, but not all transaction terms and conditions. The summary that follows is subject to final credit approval.

**In connection with this Term Sheet, CITI will be acting solely as a principal and not as your agent, advisor or fiduciary. CITI has not assumed a fiduciary responsibility with respect to this Term Sheet, and nothing in this transaction or in any prior relationship between you and CITI will be deemed to create an advisory, fiduciary or agency relationship between us in respect of this Term Sheet. You should consider carefully whether you would like to engage an independent advisor to represent or otherwise advise you in connection with this Term Sheet, if you have not already done so.**

### A. PRELIMINARY LOAN TERMS

**Deal Structure:**

CITI proposes to fund a tax-exempt construction loan ("Funding Loan") to Miami-Dade Housing Finance Authority or other acceptable housing finance agency (the "Governmental Lender"). The Governmental Lender then loans the proceeds of the Funding Loan directly to the Borrower (the "Borrower Loan").

The Construction Phase is the initial phase during which funds will be advanced to Governmental Lender and loaned to Borrower (directly or through a Trustee, at Governmental Lender's discretion). Payments on the Funding Loan during the Construction Phase will be interest only

**Property:**

Liberty Square Rising Phase 1A – 216 units
Liberty Square Rising Phase 1B – 216 units
Liberty Square Rising Phase 2 – 216 units
Liberty Square Rising Phase 4B – 120 units
Liberty Square Rising Phase 4C – 120 units
Liberty Square Rising Phase 4D – 240 units

**Set-Asides:**

Phase 1A: 51% of the units (111 units) will be for tenants with income at or below 60% of AMI. The remaining units (105 units) will be public housing and covered under an annual contribution contract with HUD.

Phase 1B: 17% of the units (36 units) will be for tenants with income at or below 60% of AMI. The remaining units (180 units) will be public housing and covered under an annual contribution contract with HUD.

Phase 2: 17% of the units (36 units) will be for tenants with income at or below 60% of AMI. The remaining units (180 units) will be public housing and covered under an annual contribution contract with HUD.

Phase 4B: 90% of the units (108 units) will be for tenants with income at or below 60% of AMI. 10% of the units (12 units) will be for tenants with income at or below 50% of AMI.

Phase 4C: 20% of the units (24 units) will be for tenants with income at or below 60% of AMI. The remaining units (96 units) will be for tenants with income at or below 120% of AMI.

Phase 4D: 20% of the units (48 units) will be for tenants with income at or below 60% of AMI. The remaining units (192 units) will be for tenants with income at or below 120% of AMI.

**Borrower:** To be determined.

**Sponsor:** Affiliates of RUDG

**LIHTC Investor/ Syndicator:** If applicable, the Low Income Housing Tax Credit ("LIHTC") Investor / Syndicator, the upper tier investor(s) and, the terms and conditions of the partnership (or operating) agreement, must be acceptable to CITI in all respects including, particularly, as to the timing and conditions to funding capital contributions.

**Guarantor(s):** PRH Investments, LLC and/or other individual(s) or corporate entity acceptable to CITI in all respects. The Guarantor(s)' financial condition(s) must be acceptable to CITI in all respects. Guarantor must maintain a minimum net worth requirement of $10 million and minimum liquidity of $2 million.

**Subordinate Debt:** If applicable, the sources of subordinate debt and the subordinate loan documents must be acceptable to CITI in all respects. All subordinate debt must fund prior to Funding Loan funding unless CITI approves other arrangements.

**Loan Security:** First lien, or assignment thereof, on land and any improvements, UCC filings for fixtures; assignment of all leases and rents; and, a first priority collateral assignment of all contracts, management agreements, and other agreements and all permits relating to the Property. All income and rent restrictions will be subordinate to the CITI security instrument.

**Recourse:** The Funding Loan will be fully recourse to the Borrower and to the Guarantor(s).

**Guarantees, Construction Phase:** Completion and Repayment Guarantees are required from the Borrower and the Guarantor(s).

**Environmental Indemnity:** Borrower and Guarantor(s) will be liable for CITI's standard environmental indemnity.

**Closing:** Closing is subject to full satisfaction of CITI's standard due diligence, underwriting and credit approval processes, and the execution and delivery of all required loan documents, delivery of opinions, payment of fees and other customary requirements.

**Closing Date (est.):** To be Determined

## CONSTRUCTION PHASE

**Est. Construction Phase Loan Amount:** An amount, currently estimated to be:

| | |
|---|---|
| Liberty Square Rising Phase 1A: | $22,500,000 |
| Liberty Square Rising Phase 1B: | $21,000,000 |
| Liberty Square Rising Phase 2: | $22,000,000 |
| Liberty Square Rising Phase 4B: | $12,500,000 |
| Liberty Square Rising Phase 4C: | $16,150,000 |
| Liberty Square Rising Phase 4D: | $34,900,000 |

The loan(s) may not exceed 80% of costs covered through the Construction Phase.

**Construction Phase Term:** Twenty-four months, plus two, 6-month extension options. Fees for the extension are indicated below under "Fees & Expenses".

**Construction Phase Interest Rate:** A variable rate equal to SIFMA plus a spread of 2.50% during the Construction Phase for all Phases. Rate adjusts weekly. Currently, SIFMA is trading at approximately 0.01%. This rate does not include Issuer, Trustee, or misc. 3rd party fees (SIFMA is available at http://www.sifma.org/research/item.aspx?id=19762). Pricing is based on current market conditions and is subject to change.

**Availability:** Funding Loan proceeds will be advanced to Borrower on a "draw down" basis upon receipt of a written request from Borrower, supported by documentation acceptable to CITI. Borrower will be required to submit a loan budget worksheet with each draw request tracking all Property sources and uses of funds. Draw requests are limited to one per month.

**Loan in Balance:** The Funding Loan must remain "in balance" during the Construction Phase. "In balance" means that (1) the funds available during the Construction Phase (from the Funding Loan and all other debt and equity sources) are sufficient to complete the construction or rehabilitation of the Property and all other expenses reasonably expected to be necessary to achieve the conditions for equity and sub-debt funding; and (2) the sources available from equity and sub-debt are sufficient to pay off the Construction Phase Loan Amount.

**Amortization:** None. Payments on the Funding Loan during the Construction Phase will be interest only.

**Prepayment and Yield Maintenance:** Voluntary prepayment of Funding Loan principal amounts during the Construction Phase, including those as a result of a Borrower default, may be made without prepayment fee or penalty.

**Interest Reserve:** Calculated at the Construction Phase Interest Rate noted above, plus a cushion acceptable to CITI at time of final Credit approval. Currently, CITI is underwriting with a cushion of 1.00%. The Interest Reserve will be sized based on an analysis of the projected draw schedule for the Funding Loan during the Construction Phase.

**Budget and Contingencies:** The budget for the Construction Phase, including all budget line items, is subject to CITI approval. The budget shall include a hard cost contingency of no less than 5% of budgeted hard costs for new construction projects or, 10% for renovation projects. The budget shall include a soft cost contingency of no less than 5% of budgeted soft costs, excluding 1) soft costs incurred prior to or in connection with closing; 2) interest reserve and bank fees; 3) capitalized operating reserve deposits and other costs that may be due in connection with Construction Phase Loan pay off/stabilization for which specific sources are identified; and 4) developer fees.

**General Contractor and Bonding Requirements:** The general contractor and the form of construction contract must be acceptable to CITI. CITI will require payment and performance bonds equal to 100% of the construction contract amount. Surety issuing bonds must have an A.M. Best rating of "A/XIV" and must be acceptable to CITI in all other respects. In lieu of bonds, CITI will accept a letter of credit ("LC") equal to 10% of the initial construction contract amount. LC provider must be rated "A" or better.

**Retainage:** Construction contract will provide for retainage of 10% of each construction pay application until 50% completion and the reduced to 5% of each construction pay application until substantial completion of construction is achieved unless other arrangements have been approved by CITI. All retained amounts will be released upon final, lien-free completion of construction, as approved by CITI.

**Appraisal, Environmental, Plan & Cost Evaluation Review:** Appraisal and Plan/Cost Review reports will be commissioned and reviewed by CITI. CITI may rely upon environmental reports commissioned by Borrower if report is current (within 12 months) and CITI has been provided evidence of

acceptable E&O insurance coverage carried by Borrower's environmental consultant and a reliance letter in form acceptable to CITI. Appraisal, environmental condition and plan/cost reviews must be acceptable to CITI in all respects.

**Property Tax Abatements, Incentives:** All documentation related to any tax abatement or tax incentives must be acceptable to CITI in all respects.

**Developer Fee:** Any developer fee paid prior to Construction Phase Loan pay down shall be pre-approved by CITI in its sole discretion.

**Availability of ACCs:** If applicable, prior to closing, CITI must receive from HUD an acceptable commitment to provide the ACC required to operate the public housing units at break-even. In addition, CITI must review and approve anticipated capital funding appropriations connected to the ACCs.

**Public Housing:** Since the seller/landlord of the Property is the Miami-Dade Public Housing and Community Development ("MDPHCD") and since the Property will continue to be operated in accordance with public housing guidelines with operating subsidies coming from HUD to MDPHCD and in turn to the Borrower, Borrower will be required to fund reserves as noted below. In addition, the Regulatory & Operating Agreement ("R&O"), Land Use Restriction Agreement, ACC, and other documents relative to the public housing nature of the Property are subject to CITI's full review and approval.

**ACC Reserve, Operating Reserve:** CITI will require an ACC & Operating Reserve totaling the higher of 1) a minimum of six months of operating expenses or 2) the ACC & Operating Reserve required by the LIHTC equity investor. Changes to the amount of ACC units or other factors related to the ACC units may require additions to the ACC reserve.

**FEES**

**Due Diligence Deposit:** $25,000, per phase, which amount shall be non-refundable and payable upon acceptance of a preliminary application. This fee is applicable toward third party reports, loan underwriting and processing (in the minimum amount of $5,000), and CITI's initial legal fees. Applicant is responsible for the payment of all reasonable costs incurred in connection with the underwriting, processing and/or closing of the Funding Loan (including CITI legal fees).

**Origination Fee:** A non-refundable Origination Fee equal to 1.0% of the Construction Phase Loan Amount (the "Origination Fee") shall be earned in full by CITI upon the closing of the Funding Loan, and is due and payable at that time.

**Construction Phase Extension Fee:** An extension fee equal to 0.25% of the Construction Phase Loan Amount is payable prior to the first, six month extension and an extension fee equal to 0.50% of the Construction Phase Loan Amount is payable prior to the second, six month extension.

This Term Sheet is provided for information purposes and is intended for your use only. Except in those jurisdictions where it is impermissible to make such a statement, CITI hereby informs you that this Term Sheet should not be considered as a solicitation or offer to sell or purchase any securities or other financial products. This Term Sheet does not constitute investment advice and does not purport to identify all risks or material considerations which should be considered when undertaking a transaction. CITI makes no recommendation as to the suitability of any of the products or transactions mentioned. Any trading or investment decisions you take are in reliance on your own analysis and judgment and/or that of your advisors and not in reliance on us.

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CITI is required to obtain, verify and record certain information that identifies each entity that enters into a formal business relationship with CITI. CITI will ask for your complete name, street address, and taxpayer ID number. CITI may also request corporate formation documents, or other forms of identification, to verify information provided.

Although Citibank, N.A. (together with its subsidiaries and branches worldwide, "Citibank") is an affiliate of CITI, you should be aware that none of the financial instruments or other products mentioned in this term sheet (unless expressly stated otherwise) are (i) insured by the Federal Deposit Insurance Corporation or any other governmental authority, or (ii) deposits or other obligations of, or guaranteed by, Citibank or any other insured depository institution.

**IRS Circular 230 Disclosure**: CITI and its employees are not in the business of providing, and do not provide, tax or legal advice to any taxpayer outside of CITI. Any statements in this term sheet regarding tax matters were not intended or written to be used, and cannot be used or relied upon, by any taxpayer for the purpose of avoiding tax penalties. Any such taxpayer should seek advice based on the taxpayer's particular circumstances from an independent tax advisor.

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## EXHIBIT B

### Initial Due Diligence/Underwriting Completed

1. Review of proposed income and expense statements (budget).
2. Review of estimated sources and uses statement.
3. Inspection of proposed site and sub market.
4. Review of CITI's servicing portfolio to determine comparability of rents and expenses
5. Review of financial information of Sponsor, Borrower and principals of each.

Liberty Square RFP

Preliminary Review

| | | | IA | IB | 2 | 4B | 4C | 4D |
|---|---|---|---|---|---|---|---|---|
| | Preliminary NOI | | 801,000 | 381,754 | 381,754 | 377,408 | 1,125,083 | 2,383,224 |
| | Amort | | 35 | 35 | 35 | 35 | 35 | 35 |
| | Assumed Rate | | 4.74% | 4.74% | 4.74% | 4.74% | 4.74% | 4.74% |
| | | | 1.15 | 1.15 | 1.15 | 1.15 | 1.15 | 1.15 |
| | Max Perm Loan | | $11,888,594 | $5,666,065 | $5,666,065 | $5,601,561 | $16,698,696 | $35,372,264 |
| | | TOTAL | | | | | | |
| Request - Perm* | | 78,450,000 | 10,750,000 | 5,650,000 | 5,650,000 | 5,350,000 | 16,150,000 | 34,900,000 |
| Per Unit | | | 49,769 | 26,157 | 26,157 | 44,583 | 134,583 | 145,417 |
| Request - Constr | | 129,050,000 | 22,500,000 | 21,000,000 | 22,000,000 | 12,500,000 | 16,150,000 | 34,900,000 |
| Per Unit | | | 104,167 | 97,222 | 101,852 | 104,167 | 134,583 | 145,417 |
| Total Units | | 1,128 | 216 | 216 | 216 | 120 | 120 | 240 |
| PHA | | 465 | 105 | 180 | 180 | | | |
| 50% | | 84 | | | | 12 | 24 | 48 |
| 60% | | 291 | 111 | 36 | 36 | 108 | | |
| 120% | | 288 | | | | | 96 | 192 |
| **Sources:** | | | | | | | | |
| | Tax Credit Equity | | $ 20,202,085 | $ 19,806,955 | $ 19,455,019 | $ 11,007,480 | $ 2,218,912 | $ 3,956,206 |
| | Tax-Exempt Bonds | | 10,750,000 | 5,650,000 | 5,650,000 | 5,350,000 | 16,150,000 | 34,900,000 |
| | Sub Debt | | 13,900,000 | 19,867,800 | 18,087,816 | 8,121,100 | 5,400,000 | 4,700,000 |
| | Def Dev Fee | | 746,456 | 864,304 | 840,411 | 562,661 | 1,828,316 | 1,684,845 |
| | Total | | $ 45,598,541 | $ 46,189,059 | $ 44,033,246 | $ 25,041,241 | $ 25,597,228 | $ 45,241,051 |
| **Uses:** | | | | | | | | |
| | Ground Lease Pmt | | $ 540,000 | $ 540,000 | $ 540,000 | $ 300,000 | $ 300,000 | $ 600,000 |
| | Construction Costs | | 26,544,000 | 26,944,000 | 25,544,000 | 14,080,000 | 14,080,000 | 26,160,000 |
| | GC Fees | | 3,716,160 | 3,772,160 | 3,576,160 | 1,971,200 | 1,971,200 | 3,662,400 |
| | Hard Cost Contngcy | | 1,513,008 | 1,535,808 | 1,456,008 | 802,560 | 802,560 | 1,491,120 |
| | Soft Costs | | 6,553,362 | 6,588,158 | 6,436,998 | 4,170,226 | 4,681,303 | 6,695,835 |
| | Developer Fees | | 6,732,011 | 6,808,933 | 6,480,080 | 3,717,255 | 3,762,165 | 6,631,697 |
| | Total | | $ 45,598,541 | $ 46,189,059 | $ 44,033,246 | $ 25,041,241 | $ 25,597,228 | $ 45,241,051 |

* CITI is only providing construction financing. However, CITI has assumed, for take-out purposes, the parameters noted above for sizing the permanent loans.

# RAYMOND JAMES

February 3, 2016

Mr. Alberto Milo Jr.
Vice President
RUDG, LLC
315 S. Biscayne Blvd.
Miami, FL 33146
(305) 460-9900

Re: Partnership: To be determined Single Purpose Entity, an affiliate of RUDG, LLC
Property Name: Liberty Square Rising - Phase 4B
City/State: Miami, Florida

Dear Mr. Milo:

This letter will confirm our agreement ("Agreement") whereby Raymond James Tax Credit Funds, Inc. ("RJTCF") shall attempt to effect a closing ("Closing") of an investment by a Fund sponsored by RJTCF (the "RJTCF Fund") in the above named partnership ("Partnership") on the assumptions, terms, and conditions contained in this letter, or such other assumptions, terms and conditions as are acceptable to you, RJTCF and the RJTCF Fund.

CURRENT ASSUMPTIONS:

## I. DESCRIPTION OF THE PROJECT AND THE INVESTMENT.

### A. Project:

1. New Construction
2. Units: 120
3. Set-aside Requirements: 12 units at 50% or less of median income and 108 units at 120% or less of median income
4. Rental Assistance: None
5. Management Company: TRG Management Company, LLP
6. General Contractor: Fortune Construction Company, LLP.

### B. Tax Credit Information:

1. Reserved or Allocated Credits: $982,909.
2. Estimated Partnership Annual Credits: $982,909.
3. RJTCF Fund's Share of Partnership Annual Credits: 99.99%
4. Estimated RJTCF Fund Annual Credits: $982,811.
5. Applicable Fraction: 100% with 130% basis boost.
6. Applicable Percentage: 3.21% (floating).
7. First Credit Year: 2021.

C. **Equity Investment:**

1. Estimated $1.12 per dollar of the RJTCF Fund Total Credits ("Credit Price"), subject to market conditions and availability of funds.
2. Estimated RJTCF Fund Total Capital: $11,007,480.
   Note that actual contributions are based on actual credits delivered. If actual RJTCF Fund Total Credits are less than the estimated amount, RJTCF Fund Total Capital will be reduced by the shortfall times the Credit Price. If actual RJTCF Fund Total Credits are greater than the estimated amount ("Excess Credits") and such Excess Credits are not attributable to an additional reservation of Credits, then the RJTCF Fund Total Capital will be increased by an amount equal to the Excess Credits times the Credit Price, but RJTCF Fund Total Capital shall not exceed 105% of the Estimated RJTCF Fund Total Capital except as provided below. The RJTCF Fund will specify the terms, if any, under which it will purchase any Excess Credits attributable to an additional reservation of Credits, and/or those that would otherwise cause capital contributions to exceed 105% of the Estimated Total Capital. If those terms provide for a credit price less than the Credit Price, the General Partners can accept or reject those terms. Any Excess Credits that the RJTCF Fund is unwilling to buy or that the General Partners are unwilling to sell at the price specified by the RJTCF Fund shall be allocated to the General Partners.

3. Installment Payment of Estimated RJTCF Fund Total Capital:
   a. $3,302,244 (30%) at Closing, of which $50,000.00 shall be paid directly to RJTCF in payment of its due diligence fee
   b. $1,100,000 (10%) at later of April 1, 2021 or 100% Construction Completion.
   d. $6,605,236 (60%) at later of July 1, 2021 or Stabilized Operations ("Stabilization Capital Contribution"), of which $100,000 may be held back and paid when all required tax filing information and Forms 8609 are received and audited financials for the year of Breakeven Operations are available.

   All payments will be subject to various deliveries required by the RJTCF Fund as described in the definitive documents, including without limitation, updates of representations and warranties previously given to the RJTCF Fund.

4. Timing Adjusters:
   The capital contribution of the RJTCF Fund shall be reduced by 55% of the shortfall between the Credits actually delivered and the Credits estimated to be delivered in 2021 and 2022. Currently, it is estimated that the Partnership will deliver $935,129 (95.14%) of Credits in 2021 and the maximum annual credit in 2022. The capital contribution of the RJTCF Fund shall be adjusted if and to the extent that the RJTCF Fund is admitted after Credits have begun to run. It is intended that the adjustments and/or payments required by this Section are to compensate the Investor Limited Partner for the delay in the receipt of Tax Credit

and the Lease-Up Adjuster may be reduced if the Investor Limited Partner determines in the exercise of its sole and absolute discretion that the full Lease-Up Adjuster is not required to maintain the expected return on investment of its members.

In the event that the actual Credits with respect to the first Credit Year are more than the Credits projected for such years, then the capital contribution of the RJTCF Fund to the Partnership shall be increased by an amount (the "Upward Timing Adjustment") equal to 35% of such excess; provided, that any such increase is subject to the overall limitation that RJTCF Fund Total Capital cannot exceed 105% of estimated RJTCF Total Capital without RJTCF Fund consent. The Upward Timing Adjustment shall be made and applied to increase the Stabilization Capital Contribution. It is understood and agreed that the Upward Timing Adjustment is intended to address any acceleration in the delivery of the first year of the Credit Period from the projected Credit amounts during such year where the total projected Credits for the entire Credit Period is not affected and that the Upward Timing Adjustment may be decreased if the RJTCF Fund determines in the exercise of its sole and absolute discretion that a smaller Upward Timing Adjustment must be paid in order to maintain the expected return on investment of its investors.

D. **Allocation of Distributions:**

1. Asset Management Fee: The RJTCF Fund shall receive an annual asset management fee of $5,000, increasing at 3.00% per year prior to any cash distributions. The Asset Management Fee shall begin once the Project has been placed in service and shall be prorated for the year that the Project is placed in service. The fee shall be cumulative to the extent unpaid in any year and shall be payable from sale proceeds of the property to the extent not previously paid. The fee must be paid in order for the Partnership to remain Current; thus, if cash flow is not sufficient to pay the fee, it shall be paid from available reserves or from loans made by the General Partner or Guarantors under the Operating Deficit Guaranty.

2. Cash From Operations: Cash available to be distributed after paying Partnership expenses (including the Asset Management Fee), funding the Replacement Reserve, and maintaining working capital reserves. Cash From Operations shall be allocated in the following order:

   a. To the RJTCF Fund to the extent of any amounts owed, including amounts to be paid under Tax Credit Guaranty;
   b. To replenish the Operating Reserve if the balance therein is less than the Operating Reserve Minimum;
   c. To the Developer to pay any unpaid Deferred Development Fee;
   d. To the General Partners or Guarantors to repay any loans due under the Operating Deficit Guaranty;
   e. 89.99% to the General Partners as an incentive management fee;
   f. The balance 0.01% to the General Partners, and 99.99% to the RJTCF Fund.

In all events, the RJTCF Fund must receive at least 10% of the amount available for distributions to partners and payment of incentive management fees to the General Partners. Available cash from operations will be distributed biannually.

3. CashFromSaleorRefinancing: Proceeds available after paying all liabilities and establishing any required reserves shall be allocated in accordance with capital accounts, in the following order:

   a. To the RJTCF Fund to the extent of any amounts owed, including unpaid amounts under Tax Credit Guaranty;
   b. To pay any accrued but unpaid Asset Management Fee;
   c. To the Developer to pay any unpaid Deferred Development Fee;
   d. To the General Partners or Guarantors to repay any loans due under the Operating Deficit Guaranty;
   e. The balance, 90% to the General Partners and 10% to the RJTCF Fund

The distribution of Cash From Sale or Refinancing shall be subject to the requirement of the Internal Revenue Code that liquidating distributions be made in accordance with capital accounts.

E. **Allocations of Profits and Losses:**

1. Operating Profits and Losses: 99.99% RJTCF Fund; 0.01% General Partner.
2. Credits and Depreciation: 99.99% RJTCF Fund; 0.01% General Partner.
3. Gain or Loss on Sale: So as to bring the capital accounts into the ratios that will allow Proceeds of Sale to be distributed 90% to the General Partners and 10% to the RJTCF Fund, to the extent possible given the requirements of the Internal Revenue Code and the Treasury Regulations.
4. Operating Income and Losses Prior to Credit Delivery: At the discretion of the RJTCF Fund, Operating Income and Losses attributable to the period prior to the start of Credit delivery may be specially allocated to the General Partners.

F. **Developer and Development Fee:**

1. Developer: An affiliate of RUDG, LLC
2. Estimated Development Fee: An amount not to exceed the maximum allowable development fee pursuant to FHFC and HUD guidelines.
3. Development Fee pay-ins will be negotiated prior to closing.

   If necessary, part of the development fee, not to exceed $2,000,000, will be deferred beyond the date of the RJTCF Fund's final capital contribution installment, without interest, and shall be paid in accordance with the terms of allocations of Cash From Operations and Cash from Sale or Refinancing or, if not paid within 14 years after placed-in-service date, from General Partners' capital as described below. Any development fee that cannot be paid by the time of the final capital contribution of the RJTCF Fund or deferred in accordance with the foregoing limitation shall be paid as an excess cost under the Completion Guaranty.
4. Development Fee shall be pledged to secure the obligations of the General Partner and the Guarantors.

G. **Reserves:**

1. Replacement Reserve: $36,000 capitalized at Closing and $36,000 per year ($300 per unit) beginning at the earlier of six months after completion of construction or the first month of Stabilized Operations, increased by 3% per year thereafter. In the aggregate, no more than $20,000 will be withdrawn from the Replacement Reserve in any calendar year without the approval of the RJTCF Fund.
2. Lease-up Reserve: $100,000, to be funded at or prior to Construction Completion. The Lease-up Reserve shall be used to fund operating deficits prior to the Stabilization Capital Contribution. To the extent that funds remain in the Lease-Up Reserve after such contribution, these funds will be transferred to the Operating Reserve to meet the Operating Reserve Requirement and shall be held therein. If such transfer would cause the amount of the Operating Reserve to be greater than the amount otherwise required hereunder to be held in the Operating Reserve, then such excess amount may be used instead to pay deferred Development Fee (except to the extent that the Agency requires a minimum deferred Development Fee or there is no deferred Development Fee, in which case such amount shall remain in the Operating Reserve). To the extent the balance in the Operating Reserve exceeds the amount otherwise required hereunder at the end of the Operating Deficit Period, such excess shall be released from the reserve and distributed as Cash From Operations.
3. Operating Reserve: $236,569, to be funded into the operating reserve account (the "OperatingReserveAccount") at the time of the funding of the Stabilization Capital Contribution. Such Operating Reserve Account shall be maintained for the duration of the Compliance Period (after which, funds on deposit may be released and distributed as Net Cash Flow) and shall be used exclusively to pay for Operating Deficits incurred by the Partnership after the date of the Stabilization Capital Contribution; provided however, that all withdrawals from the Operating Reserve Account that would cause aggregate draws in any one fiscal year to exceed $10,000.00 shall be made only with the Consent of the RJTCF Fund, which shall not be unreasonably withheld, delayed or conditioned. Operating Deficits shall be funded 50% from the Operating Reserve and 50% under the Operating Deficit Guaranty; provided, that, notwithstanding anything to the contrary contained herein, the Operating Reserve Account may not be drawn down below $115,000 ("the Operating Reserve Minimum") unless the General Partners have fully funded their obligations under the Operating Deficit Guaranty. Operating Deficits shall be funded 100% from the Operating Reserve once the General Partners have fully funded their obligations under the Operating Deficit Guaranty. Should the balance in the Operating Reserve Account fall below the Operating Reserve Minimum, Net Cash Flow on each Payment Date will be deposited in the Operating Reserve Account to maintain such minimum balance.
5. All reserves shall be established with a lending institution acceptable to (the RJTCF Fund) and shall be subject to withdrawal limitations determined by the RJTCF Fund to be appropriate to ensure the proper use of such funds.

I. **Obligations of the Guarantors:**

1. Guarantors: The General Partners and PRH Investments, LLC, subject to the approval of RJTCF.

2. Guarantors shall collectively have a minimum net worth of $10,000,000 ($2,000,000 liquid). Distributions from entity guarantors shall be restricted to the extent that any distribution would reduce the net worth of the Guarantors below the prescribed minimums.

3. Guarantors unconditionally guarantee that the General Partners will perform all of their obligations under the partnership agreement, including, without limitation, guaranties, repurchase obligations and the obligation to make a capital contribution as and when required to pay deferred development fee and that the developer will perform all of their obligations under the Development Agreement.

J. **Total Depreciable Basis: $23,554,036.**

1. $21,283,591 (90.36%) - 27.5 year depreciable property
2. $1,702,834 (7.23%) - 15 year depreciable property
3. $567,611 (2.41%) - 5 year depreciable property

K. **INTENTIONALLY DELETED.**

L. **Definitive Documents**

All of the terms and conditions of the investment shall be set forth in definitive documents to be negotiated by the parties including but not limited to an Amended and Restated Operating Agreement, together with certain closing exhibits (including various Guaranty Agreements). Such documents shall be consistent with the terms and conditions set forth in this letter with such changes as the parties may agree are appropriate. Once executed, the definitive documents shall supersede this letter, which shall be of no further force or effect. RJTCF will begin preparation of the definitive documents upon the completion of our due diligence to our satisfaction, as determined in our sole discretion.

II. **INTENTIONALLY DELTED**

III. **THE RJTCF FUND EXIT RIGHTS**

The RJTCF Fund shall have the right to require the General Partners to acquire its interest after the end of the compliance period for a price equal to the amount the RJTCF Fund would receive if the Partnership sold the Project at fair market value, paid its debts and distributed the remaining assets in accordance with the provisions relating to distribution of sales proceeds. If the General Partners fail to acquire the RJTCF Fund's interest, then the RJTCF Fund shall have the right, without the concurrence of the General Partners, to order a sale of the Project.

IV. **OTHER ASSUMPTIONS TO CLOSING**

Prior to Closing, there shall have been no changes in tax laws or Treasury pronouncements, or changes in interpretations of existing tax issues that would materially and adversely affect this investment.

2. In the event an investment in the Partnership requires HUD Previous Participation Certification (HUD Form 2530), the RJTCF Fund and its investor members are willing and able to request and obtain HUD 2530 approval in accordance with the filing requirements promulgated by HUD.
3. RJTCF and the RJTCF Fund's review and approval in its sole discretion of all terms and conditions of the investment, due diligence materials, including the construction and permanent loan commitments, proposed extended use agreement, real estate, plans and specifications, market study (including any additional market studies determined by the RJTCF Fund and the fund to be necessary - at the Partnership's expense), basis for the Credits, operating budgets, construction and lease-up budgets, current financial statements of the General Partners, other guarantors and their affiliates, verification of background information to be provided by the General Partners and their affiliates, and references to be provided by the General Partners.
4. During underwriting and due diligence, RJTCF will review the rental assistance agreement and market conditions, and may in its sole discretion determine that a Rental Assistance Transition Reserve or Rental Assistance Loss Guarantee be required as a requirement of Closing.

## V. TERM

The initial term of this Agreement shall be for a period of 48 months from the date of this letter, with a closing (Closing Date) no later than February 1, 2020 providing that RJTCF may terminate this Agreement by giving at least 10 days written notice if it determines, in the exercise of its sole discretion that the conditions to closing are unlikely to be met. RJTCF may extend the term of this Agreement up to 90 days beyond the initial term and both parties can agree in writing to an extension beyond that date. If due diligence activities and negotiation of definitive documents continue beyond termination of this Agreement, the parties shall not be bound hereunder, but only to the extent provided in definitive documents or other written agreements that are actually executed and delivered.

## VI. EXCLUSIVITY

You acknowledge that the RJTCF Fund will expend significant effort and expense, and may forego other investment opportunities, in connection with its best efforts to effect a Closing. You agree that you will not solicit or entertain any offers by other parties to acquire an equity interest in the Partnership during the Term of this Agreement. You agree to pay the RJTCF Fund up to a maximum of $50,000, for actual 3rd party due diligence costs incurred regardless of whether or not the Investment closes, unless such failure to close was due to RJTCF inability to obtain Investment Committee or Investor approval.

The Partnership must provide at its expense a legal opinion acceptable to RJTCF. If required by an Investor in connection with its admission to the RJTCF Fund subsequent to the Closing of the Investment, such opinion must be updated and reissued at Partnership expense.

## VII. DUE DILIGENCE FEES

At the Closing, the Partnership shall pay $50,000 or greater negotiated amount to the RJTCF Fund for the costs associated with the due diligence process and preparation of Partnership documents and legal opinions. A higher amount may be appropriate, for example, if the RJTCF Fund undertakes significant work to obtain the title policy, close complicated financings, etc. Such additional charges are subject to negotiation and no amount greater than $50,000 will be incurred or due to the RJTCF Fund from the Partnership without your agreement.

## VIII. INTENTIONALLY DELETED

## IX. CONFIDENTIALITY

This letter is delivered to you with the understanding that neither it nor its substance shall be disclosed to any third party except those who are in a confidential relationship with you, or where the same is required by law. It is understood this letter will be submitted as part of a response to a request for applications and may be made public record.

## X. ACCEPTANCE

If these terms and conditions are acceptable to you, please sign and return one copy of this memorandum. If not accepted by March 1, 2016 this offer shall terminate.

By acceptance of this letter, you authorize Raymond James Tax Credit Funds, Inc. to make any credit inquiries that we may deem necessary as part of our underwriting process. These credit inquiries may be performed on the General Partners, Guarantors, or any significant business operation of General Partners or Guarantors. This authorization also applies to follow-up credit inquiries that we may deem necessary after our admission to the Partnership.

For more than 25 years Raymond James Tax Credit Funds and our affiliates have been involved with the development of affordable housing. We have provided equity for more than 1,200 properties nationwide. We look forward to working with you.

Sincerely,

Darryl Seavey
Managing Director Northeast Region
Raymond James Tax Credit Funds, Inc.

Accepted:

By: General Partner

Date

## SOURCES AND APPLICATIONS OF FUNDS & CALCULATION OF LOW INCOME HOUSING TAX CREDIT

Date: 2/4/2016
Property Name: **Liberty Square Rising 4b**
Location (City/State): **Miami, FL**
Partnership Name: **Partnership Name**
Total # of Units: **120**

| Sources of Funds | | Type | Rate | Fixed? | Term | Amort. Pd | Payments? | Int. Only? | Annual Debt Service |
|---|---|---|---|---|---|---|---|---|---|
| 1st Mortgage Loan | 5,350,000 | bond | 4.74% | Y | 15 | 35 | Y | N | 313,443 |
| 2nd Mortgage Loan | 1,000,000 | HOME | 0.00% | Y | 30 | 30 | Y | N | Soft Debt |
| 3rd Mortgage Loan | 5,000,000 | SAIL | 0.00% | 0 | 30 | 30 | Y | Y | Soft Debt |
| 4th Mortgage Loan | 821,000 | SAIL ELI | 0.00% | 0 | 30 | 30 | Y | Y | Soft Debt |
| 5th Mortgage Loan | 1,300,000 | Surtax | 1.00% | 0 | 30 | 30 | Y | Y | 13,000 |
| 6th Mortgage Loan | 0 | 0 | 0.00% | 0 | 30 | 30 | Y | N | 0 |
| 0 | 0 | | | | | | | | |
| 0 | 0 | | | | | | | | |
| Income from Operations | 0 | | | | | | | | |
| Reserves Used | 0 | | | | | | | | |
| Deferred Fee | 562,761 | | | | | | | | |
| General Partners' Capital | 0 | | | | | | | | |
| Raymond James Capital | 11,007,480 | | | | | | | | |
| Total Available Funds | 25,041,241 | | | | | | | | |

**Max Allowed**: 0

| Years of Cash Flow | 12 |
|---|---|
| Calculated Max Deferred Fee | |
| 2/3/7 | 3/3/5 |
| 727,552 | 1,641,214 |

| | |
|---|---|
| Development Fee Held Back | 1,717,255 |
| Max Deferred Fee | 562,761 |
| Net Development Fee Held Back | 1,154,494 |
| % of RJ Capital | 10.49% |

| | State | Federal |
|---|---|---|
| Historic Tax Credit Eligible Basis | 0 | 0 |
| Applicable Percentage | 25% | 20% |
| Cap on State Historic Credits | 0 | |
| Total Historic Credits | 0 | 0 |
| LP Share of HTC | 0.00% | 0.00% |
| Total LP HTC | 0 | 0 |
| Price Per Credit | 0.00 | 0.00 |
| Capital for Historic Credits | 0 | 0 |

| | State | Federal |
|---|---|---|
| Energy Credit Basis | - | 0 |
| Applicable Percentage | 40% | 30% |
| Total Energy Credits | 0 | 0 |
| LP Share of Energy C | 0.00% | 0.00% |
| Total LP Energy Cred | 0 | 0 |
| Price per Credit | 0.00 | 0.00 |
| Capital for Energy Cr | 0 | 0 |

| Application of Funds | | | Tax Cr Eligible Acquisition Basis | Tax Cr Eligible New/Rehab Basis | Non-credit elig. But depreciable | Non-credit elig. Not depreciable | Amortizable Expenses | Total |
|---|---|---|---|---|---|---|---|---|
| | | | | | | 0 | | 0 |
| Land | | 300,000 | | | | 300,000 | | 300,000 |
| Construction Costs | | 16,161,482 | | 16,161,482 | 0 | 0 | | 16,161,482 |
| Site Work | | 0 | | 0 | 0 | 0 | | 0 |
| Personal Property | | 0 | | 0 | 0 | 0 | | 0 |
| Soft Costs | | 3,687,375 | | 2,872,739 | 0 | 654,695 | 159,941 | 3,687,375 |
| Reserves | | 372,569 | | | 0 | 372,569 | | 372,569 |
| Sub-Total Costs | | 20,521,426 | 0 | 19,034,221 | 0 | 1,327,264 | 159,941 | 20,521,426 |
| Development Fee | 18.11% | 3,717,255 | 0 | 3,717,255 | 0 | 0 | | 3,717,255 |
| Contingency Costs | 5.00% | 802,560 | | 802,560 | 0 | 0 | | 802,560 |
| Total Applications of Funds | | 25,041,241 | 0 | 23,554,036 | 0 | 1,327,264 | 159,941 | 25,041,241 |
| | Depreciable Basis | | 0 | 23,554,036 | 0 | 23,554,036 | | |

| LOW INCOME HOUSING TAX CREDIT | Federal Credits: Acquisition Basis | Federal Credits: Rehab/New Basis | | State Credits: Rehab/New Basis | |
|---|---|---|---|---|---|
| Eligible Basis | 0 | 23,554,036 | | 23,554,036 | |
| Applicable Fraction | 20% | 100000.00% | | 100000% | |
| Qualified Basis | 0 | 23,554,036,000 | | 23,554,036,000 | |
| Qualified Census Tract Adjustment | 100% | 130% | | 100.0% | |
| Adjusted Qualified Basis | 0 | 30,620,246,800 | | 23,554,036,000 | |
| Applicable Percentage | 3.21% | 3.21% | | 0.0% | |
| Calculated Maximum Annual Credit | 0 | 982,909,922 | 982,909,922 | 0 | |
| Annual Credit Reserved | 0 | 982,909 | 982,909 | 0 | |
| Lesser of Calculated or Reserved Annual Credit | 0 | 982,909 | 982,909 | 0 | |
| Raymond James's Share of Total Annual Credit | 99.99% | 982,811 | | 0 | 99.99% |
| Raymond James Payment Factor | | 11.2000 | | 0.00 | |
| Total Raymond James Capital Contribution | | 11,007,480 | | 0 | 11,007,480 |

**Reserved per year**: 0

| Credit Delivery | |
|---|---|
| 2020 | 0 |
| 2021 | 0 |
| 2022 | 0 |
| 2023 | 0 |
| 2024 | 0 |
| 2025 | 0 |
| 2026 | 0 |
| 2027 | 0 |
| 2028 | 0 |
| 2029 | 0 |
| 2030 | 0 |
| 2031 | 0 |
| 2032 | 0 |
| 2033 | 0 |
| Total | 0 |

Are the State Credits Transferrable? N

State Credit Price: 0.000
Years of State Credits: 10

First Year of Credits: 2021

| 9829090 | 0.00% 40 Year Life | 90.36% 27.5 Year Life | 0.00% 20 Year Life | 7.23% 15 Year life | 0.00% 9 Year Life | 2.41% 5 Year life | 0.00% Accelerated Year One | 100.00% Total Depreciation |
|---|---|---|---|---|---|---|---|---|
| | 0 | 21,283,591 | 0 | 1,702,834 | 0 | 567,611 | 0 | 23,554,036 |

**SCHEDULE A**

**DETAILED COST BUDGET** **Liberty Square Rising 4b**

2/4/2016

| COST ITEMS | TOTAL COST | Acquisition ELIGIBLE | New/Rehab ELIGIBLE | NON-ELIGIBLE | DEPRECIABLE | AMORTIZABLE | NON-DEPRECIABLE |
|---|---|---|---|---|---|---|---|
| **Soft Costs** | $3,687,375 | $0 | $2,872,739 | $814,636 | $2,872,739 | $159,941 | $654,695 |
| Accounting | $50,000 | | $50,000 | | $50,000 | | $0 |
| Appraisal | $7,500 | | $7,500 | | $7,500 | | $0 |
| Architectural Design | $360,000 | | $360,000 | | $360,000 | | $0 |
| Architectural Supervision | $25,000 | | $25,000 | | $25,000 | | $0 |
| Broker Fee/Sales Commision | $0 | | $0 | | $0 | | $0 |
| Construction | $1,385,480 | | $1,194,480 | | $1,194,480 | | $191,000 |
| Construction Loan Fees | $573,980 | | $382,980 | $191,00... | $382,980 | | $191,000 |
| Construction Interest | $500,000 | | $500,000 | | $500,000 | | $0 |
| Construction Monitoring | $311,500 | | $311,500 | | $311,500 | | $0 |
| Taxes during Construction | $0 | | $0 | | $0 | | $0 |
| Cost Certification | $0 | | | $0 | $0 | | $0 |
| Engineering | $0 | | $0 | | $0 | | $0 |
| Impact Fees | $0 | | $0 | | $0 | | $0 |
| Insurance | $164,948 | | $164,948 | | $164,948 | | $0 |
| Legal Fees | $180,000 | | $112,500 | $67,500 | $112,500 | | $67,500 |
| Market Study | $7,500 | | $7,500 | | $7,500 | | $0 |
| Marketing (Rent-up Costs) | $50,000 | | | $50,000 | | | $50,000 |
| Monitoring Fees | $0 | | | $0 | | | $0 |
| Organizational Fees | $0 | | | $0 | | $0 | $0 |
| Permanent Loan Fees | $0 | | | $0 | | $0 | $0 |
| Permits | $140,800 | | $140,800 | | $140,800 | | $0 |
| Phase I Environmental | $10,000 | | $10,000 | | $10,000 | | $0 |
| RJTCF Underwriting Fee | $50,000 | | | $50,000 | | | $50,000 |
| Soft Cost Contingency | $136,606 | | $46,011 | $90,595 | $46,011 | | $90,595 |
| Soil Tests | $0 | | $0 | | $0 | | $0 |
| Survey | $10,000 | | $10,000 | | $10,000 | | $0 |
| Syndication Costs | $0 | | | $0 | | | $0 |
| Tap Fees | $144,000 | | $144,000 | | $144,000 | | $0 |
| Tax Credit Fees | $159,941 | | | $159,941 | | $159,941 | $0 |
| Tax Opinion | $0 | | | $0 | $0 | | $0 |
| Tenant Relocation | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| Permanent | $0 | | | $0 | | | $0 |
| Temporary | $0 | | $0 | | $0 | | $0 |
| Title and Recording | $105,600 | | $0 | $105,600 | $0 | | $105,600 |
| security | $500,000 | | $500,000 | | $500,000 | | $0 |
| flo | $100,000 | | $100,000 | | $100,000 | | $0 |
| <Other Eligible Cost> | $0 | | $0 | | $0 | | $0 |
| <Other Non-Eligible Cost> | $0 | | | $0 | | | $0 |
| community relation | $100,000 | | | $100,000 | | | $100,000 |
| escrow | $0 | | | $0 | | | $0 |
| **Acquisition Costs** | $300,000 | $0 | $0 | $300,000 | $0 | $0 | $300,000 |
| Land | $300,000 | | | $300,000 | | | $300,000 |
| Reserves | $0 | | | $0 | | | $0 |
| Building | $0 | $0 | | | $0 | | $0 |
| **Construction** | $16,964,042 | $0 | $16,964,042 | $0 | $16,964,042 | $0 | $0 |
| Construction New (On-Site) | $14,080,000 | | $14,080,000 | | $14,080,000 | | $0 |
| Construction Rehab (On-Site) | $0 | | $0 | $0 | $0 | | $0 |
| Construction (Off-Site) | $0 | | | $0 | | | $0 |
| Construction Contingency | $802,560 | | $802,560 | | $802,560 | | $0 |
| Demolition | $0 | | | $0 | | | $0 |
| Letter of Credit/Performance Bond | $110,282 | | $110,282 | | $110,282 | | $0 |
| General Contractor Overhead | $844,800 | | $844,800 | | $844,800 | | $0 |
| General Contractor Profit | $844,800 | | $844,800 | | $844,800 | | $0 |
| General Requirements | $281,600 | | $281,600 | | $281,600 | | $0 |
| **Site Work** | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| Earth work | $0 | | $0 | | $0 | | $0 |
| On-site Utilities | $0 | | $0 | | $0 | | $0 |
| Roads & Walks | $0 | | $0 | | $0 | | $0 |
| On-site Improvements | $0 | | $0 | | $0 | | $0 |
| Lawns & Plantings | $0 | | $0 | | $0 | | $0 |
| TAM Costs | $0 | | | $0 | | | $0 |
| Site Work (27.5 year) | $0 | | $0 | | $0 | | $0 |
| <Other Non-Eligible> | $0 | | | $0 | $0 | | $0 |
| <Other Eligible Cost> | $0 | | $0 | | $0 | | $0 |
| <Other Eligible Cost> | $0 | | $0 | | $0 | | $0 |
| **Personal Property** | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| Resilient Flooring | $0 | | $0 | | $0 | | $0 |
| Equipment/Specialties | $0 | | $0 | | $0 | | $0 |
| Appliances | $0 | | $0 | | $0 | | $0 |
| Blinds/Shades/Artwork | $0 | | $0 | | $0 | | $0 |
| Carpeting | $0 | | $0 | | $0 | | $0 |
| Energy Basis | $0 | | $0 | | $0 | | $0 |
| <Other> | $0 | | $0 | | $0 | | $0 |
| **Developer Costs** | $3,717,255 | $0 | $3,717,255 | $0 | $3,717,255 | $0 | $0 |
| Developer Fee | $3,717,255 | $0 | $3,717,255 | | $3,717,255 | | $0 |
| Developer Overhead | $0 | $0 | $0 | | $0 | | $0 |
| **Reserves** | $372,569 | | | $372,569 | | | $372,569 |
| Y Operating Reserve | $236,569 | | | $236,569 | | | $236,569 |
| Y Lease-up Reserve | $100,000 | | | $100,000 | | | $100,000 |
| Y Partnership Rental Assistance Reserve | $0 | | | $0 | | | $0 |
| N Syndicator Reserve | $0 | | | $0 | | | $0 |
| Y Replacement Reserve | $36,000 | | | $36,000 | | | $36,000 |
| Y Working Capital Reserve | $0 | | | $0 | | | $0 |
| **TOTAL PROJECT COST** | **$25,041,241** | **$0** | **$23,554,036** | **$1,487,205** | **$23,554,036** | **$159,941** | **$1,327,264** |
| Check | | | OK | | | OK | |

SCHEDULE C

0

**PROJECT OPERATIONS ANALYSIS**

**Date:** 2/4/2016
**Property Name:** Liberty Square Rising 4b
**City / State:** Miami, FL
**Total Units:** 120

| | | | Per Month | Developer Estimates | Developer Per Unit | 2012 RJTCF Total Average | 2012 RJTCF Developer Average | 2012 RJTCF State/Regional Avg. |
|---|---|---|---|---|---|---|---|---|
| **Potential Unit Rental Income** | | 1,048,896 | 87,408 | | | | | |
| **LESS: Vacancy Allowance** | 6.00% | -62,934 | | | | | | |
| **Effective Unit Rental Income** | | **985,962** | **82,164** | | | | | |
| **Potential Commercial Income** | | 0 | 0 | | | | | |
| **LESS: Vacancy Allowance** | 7% | 0 | | | | | | |
| **Effective Commercial Income** | | 0 | 0 | | | | | |
| | | | **Per Unit** | | | | | |
| **Potential Garage Rental Income** | | 0 | 0 | 0 | 0 | | | |
| **Laundry Income** | | 0 | 0 | 0 | 0 | | | |
| **Cable Income** | | 0 | 0 | 0 | 0 | | | |
| **Other Income** | | 12,000 | 100 | 0 | 0 | | | |
| **IRP** | | 0 | 0 | 0 | 0 | | | |
| **Total Other Income** | | **12,000** | **100** | **0** | **0** | 167 | 0 | 0 |
| | | | **Per Month** | | | | | |
| **EFFECTIVE GROSS INCOME (ALL SOURCES)** | | **997,962** | **83,164** | **985,962** | | | | |

| | | Raymond James Estimates | Raymond James Per Unit | | | 2012 RJTCF Total Average | 2012 RJTCF Developer Average | 2012 RJTCF State/Regional Avg. |
|---|---|---|---|---|---|---|---|---|
| **Payroll & Related Expenses-Office/Admin Only** | | 168,000 | 1,400 | 0 | 0 | 502 | 0 | 0 |
| **Maintenance/Repairs/Pest Control/Maint. Payroll** | | 78,000 | 650 | 0 | 0 | 1,062 | 0 | 0 |
| **Other Operating Expenses/Office Exp./Advertising** | | 134,000 | 1,117 | 0 | 0 | 554 | 0 | 0 |
| **Accounting/Auditing** | | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Other Professional (Legal)** | | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Miscellaneous Taxes and Licenses** | | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Security** | | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Miscellaneous/Other** | | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **OPERATING COST SUBTOTAL** | | **380,000** | **3,167** | **0** | **0** | 2,118 | 0 | 0 |
| **Management Fee** | 6.0% | 59,835 | 499 | 0 | 0 | 463 | 0 | 0 |
| **Real Estate Taxes** | | 0 | 0 | 0 | 0 | 455 | 0 | 0 |
| **Utilities - Project Paid Only** | | 72,000 | 600 | 0 | 0 | 609 | 0 | 0 |
| **Insurance - Property** | | 72,000 | 600 | 0 | 0 | 264 | 0 | 0 |
| **SUBTOTAL** | | 203,835 | 1,699 | 0 | 0 | 1,791 | 0 | 0 |
| **TOTAL OPERATING EXPENSE** | | **583,835** | **4,865** | **0** | **0** | 3,909 | 0 | 0 |
| Annual Increase | | | | | | | | |
| **Transfer to Operating Reserves** | | 0 | 0 | 0 | 0 | | | |
| 3.00% **Transfer to Replacement Reserves** | | 36,000 | 300 | 0 | 0 | | | |
| **Total Operating Expense & Reserves** | | **619,835** | **5,165** | **0** | **0** | | | |
| **NET OPERATING INCOME** | | **378,127** | **3,151** | **985,962** | **8,216** | | | |
| **Annual Debt Service - 1st Mtg.** | 313,443 | | | | | | | |
| **Annual Debt Service - 2nd Mtg.** | Soft Debt | | | | | | | |
| **Annual Debt Service - 3rd Mtg.** | Soft Debt | | | | | | | |
| **Annual Debt Service - 4th Mtg.** | Soft Debt | | | | | | | |
| **Annual Debt Service - 5th Mtg.** | 13,000 | | | | | | | |
| **Annual Debt Service - 6th Mtg.** | 0 | | | | | | | |
| | | 326,443 | | 326,443 | | | | |
| **BUDGETED CASH FLOW** | | **51,685** | | **659,520** | | | | |
| **DEBT COVERAGE RATIO** | | **1.16** | | **3.02** | | | | |

| Type | Amount | Rate | Term | Amort. Pd | Payments? | Interest Only? |
|---|---|---|---|---|---|---|
| bond | 5,350,000 | 4.74% | 15 | 35 | Y | N |
| HOME | 1,000,000 | 0.00% | 30 | 30 | Y | N |
| SAIL | 5,000,000 | 0.00% | 30 | 30 | Y | Y |
| SAIL ELI | 821,000 | 0.00% | 30 | 30 | Y | Y |
| Surtax | 1,300,000 | 1.00% | 30 | 30 | Y | Y |
| 0 | 0 | 0.00% | 30 | 30 | Y | N |

| | | | surplus/shortfall |
|---|---|---|---|
| Monthly Gross Rental Income at | 1.15 | 87,167 | 241 |
| Monthly Eff. Gross Income at | 1.15 | 82,937 | 227 |

| | | |
|---|---|---|
| Breakeven Occupancy: | | 89.20% |
| Working Capital Required: | $ | 113,785 |

| | |
|---|---|
| Deferred Developer Fee | 562,761 |
| Monthly Operating Expenses + Reserves + Debt Service | 78,856 |

**SCHEDULE E**

Pillar

PILLAR MULTIFAMILY
AN AFFILIATE OF GUGGENHEIM PARTNERS
330 Madison Avenue
NEW YORK, NEW YORK 10017
PILLARFINANCE.COM

February 4, 2016

Mr. Tony Del Pozzo
Mr. Albert Milo
RUDG, LLC
315 S. Biscayne Blvd. – 4th Floor
Miami, FL 33131

Re: Liberty Square Rising (the "Property"), 1,488 units
Miami, FL

Gentlemen:

Based on our review and analysis of the information you have supplied, we are pleased to provide the following permanent financing commitment for your proposed Liberty Square Rising development located in Miami-Dade County, Florida.

| | |
|---|---|
| Borrower/Applicant: | Affiliate of RUDG, LLC or such other entity acceptable to Lender. |
| Manager: | Affiliate of RUDG, LLC or such other entity acceptable to Lender. |
| Developer: | Affiliate of RUDG, LLC or such other entity acceptable to Lender. |
| Guarantor: | PRH Investments LLC or such other entity acceptable to Lender. |
| Loan / Purpose: | Permanent financing to each phase of the Project in the below amounts, subject to final underwriting: |

| Phase | Permanent Loan Amount |
|---|---|
| Liberty Square - Phase 1A Lincoln Gardens | $10,750,000 |
| Liberty Square - Phase 1B | $5,650,000 |
| Liberty Square - Phase 2 | $5,650,000 |
| Liberty Square - Phase 3A | $5,750,000 |
| Liberty Square - Phase 3B | $4,000,000 |
| Liberty Square - Phase 4B | $5,350,000 |
| Liberty Square - Phase 4C | $16,150,000 |
| Liberty Square - Phase 4D | $34,900,000 |
| | $88,200,000 |

| | |
|---|---|
| Term: | 17 Years (2 year unfunded forward commitment followed by 15 year term) |
| Interest Rate: | The interest rate on the Loan (the "Interest Rate") is estimated to be 4.74%. which rate assumes that the yield on the 10-Year Treasury at the time of rate lock is 2.00%. The Interest Rate is an estimate and |

| | |
|---|---|
| | components of the Interest Rate adjust daily and are subject to overall fluctuations in the capital markets. |
| Commitment Fee: | 1.0% of the loan amount |
| Collateral: | First mortgage; other typical pledges and assignments. |
| Guarantee: | Non-recourse to the Borrower and Guarantors, with standard carve-outs (the carve outs include, without limitation, delivery assurance, guarantees against fraud, misrepresentation, environmental and waste). |
| Loan to Value: | 90% |
| Minimum DSCR: | 1.15x based on the actual Interest Rate determined at Rate Lock. |
| Amortization Period: | 35 Years |
| Subordinate Financing: | Subordinate Financing will be permitted subject to Pillar's approval. |
| Additional: | Any real estate tax PILOT or exemption is subject to full and final due diligence and must be structured in accordance with all Pillar and applicable Agency guidelines. |
| Lending Program: | Freddie Mac or Fannie Mae |

This commitment is contingent upon credit approval and completion of the underwriting and due diligence process, including without limitation receipt of appraisals, environmental reports, Lender engineer's reports and all final budgets and operating pro forma, all satisfactory to Lender in its sole and absolute discretion. We reserve the right to modify and/or add to any terms described in this letter following receipt and review of due diligence materials. The foregoing is intended to summarize the structure and basic terms and conditions (subject to modification upon completion of due diligence by Lender) upon which Lender may provide the financing described herein and is not an inclusive statement of all provisions, documents or requirements of a closing. This commitment shall be null and void and of no further effect if not executed and returned on or before February 22, 2016.

Sincerely,
PILLAR MULTIFAMILY, LLC

By: _____
Paul Sherrington
Authorized Signatory

By the execution below, the undersigned Applicant acknowledges and agrees to the foregoing terms and conditions of this Application.

Agreed To and Accepted:

By: _____

Date: 2/4/16

Pillar

**Liberty Square - Phase 1A**

**Preliminary Loan Sizing**

| | |
|---|---|
| # Units | 216 |
| Loan Amount | $ 10,750,000 |
| | |
| 10-yr Treasury Rate (assumed at closing) | 2.00% |
| Spread (assumed at closing) | 2.74% |
| Total Rate (assumed at closing) | 4.74% |

| INCOME | Loan Sizing | | |
|---|---|---|---|
| | Amount | % | $/Unit |
| Gross Potential Rent | $2,144,993 | 100.0% | $9,931 |
| Vacancy | -$93,240 | -7.2% | ($432) |
| Bad Debt/Collection Loss | $0 | 0.0% | $0 |
| Concessions | $0 | 0.0% | $0 |
| Baseline Adjustment (PHA Asset Mgmt fee) | -$30,629 | -1.5% | ($142) |
| Net Rental Income | $2,021,124 | 100.0% | $9,357 |
| | | | |
| Commercial Income | $0 | 0.0% | $0 |
| Commercial Vacancy | $0 | 0.0% | $0 |
| Net Commercial Income | $0 | 0.0% | $0 |
| | | | |
| Laundry/Vending | $0 | 0.0% | $0 |
| Parking | $0 | 0.0% | $0 |
| Other Income | $21,600 | 1.1% | $100 |
| Effective Gross Income | $2,042,724 | 101.1% | $9,457 |
| | | | |
| Real Estate Taxes | $144,145 | 7.1% | $667 |
| Property Insurance | $129,600 | 6.4% | $600 |
| Utilities | $129,600 | 6.4% | $600 |
| Repairs and Maintenance | $216,000 | 10.7% | $1,000 |
| Management Fee | $122,563 | 6.0% | $567 |
| Payroll and Benefits | $259,200 | 12.8% | $1,200 |
| Marketing | $21,600 | 1.1% | $100 |
| Professional Fees | $21,600 | 1.1% | $100 |
| General and Administrative | $32,400 | 1.6% | $150 |
| Other Expenses | $100,000 | 4.9% | $463 |
| Ground Rent | $0 | 0.0% | $0 |
| Total Expenses | $1,176,708 | 58.2% | $5,448 |
| | | | |
| Net Operating Income | $866,016 | 42.8% | $4,009 |
| | | | |
| Capital Reserve | $64,800 | 3.2% | $300 |
| Extraordinary Capital Items | $0 | 0.0% | $0 |
| Total Capital Expenses | $64,800 | 3.2% | $300 |
| | | | |
| Total Expenses Incl Cap'l Expenses | $1,241,508 | 60.8% | $5,748 |
| | | | |
| Net Cash Flow (NOI w/Cap'l Expenses) | $801,216 | 39.2% | $3,709 |

| | |
|---|---|
| First Mortgage Debt Service | 629,814 |
| First Mortgage DSCR | 1.27 |
| CFFP DS | 64,000 |
| Total DSCR | 1.15 |

Pillar

**Liberty Square - Phase 1B**

**Preliminary Loan Sizing**

| | | |
|---|---|---|
| # Units | | 216 |
| Loan Amount | $ | 5,650,000 |
| | | |
| 10-yr Treasury Rate (assumed at closing) | | 2.00% |
| Spread (assumed at closing) | | 2.74% |
| Total Rate (assumed at closing) | | 4.74% |

| INCOME | Loan Sizing | | |
|---|---|---|---|
| | Amount | % | $/Unit |
| Gross Potential Rent | $1,653,113 | 100.0% | $7,653 |
| Vacancy | -$37,474 | 2.3% | ($173) |
| Bad Debt/Collection Loss | $0 | 0.0% | $0 |
| Concessions | $0 | 0.0% | $0 |
| Baseline Adjustment (PHA Asset Mgmt Fee) | -$52,507 | -3.4% | ($243) |
| Net Rental Income | $1,563,132 | 100.0% | $7,237 |
| | | | |
| Commercial Income | $0 | 0.0% | $0 |
| Commercial Vacancy | $0 | 0.0% | $0 |
| Net Commercial Income | $0 | 0.0% | $0 |
| | | | |
| Laundry/Vending | $0 | 0.0% | $0 |
| Parking | $0 | 0.0% | $0 |
| Other Income | $21,600 | 1.4% | $100 |
| Effective Gross Income | $1,584,732 | 101.4% | $7,337 |
| | | | |
| Real Estate Taxes | $89,864 | 5.8% | $416 |
| Property Insurance | $129,600 | 8.3% | $600 |
| Utilities | $129,600 | 8.3% | $600 |
| Repairs and Maintenance | $216,000 | 13.8% | $1,000 |
| Management Fee | $95,084 | 6.0% | $440 |
| Payroll and Benefits | $302,400 | 19.3% | $1,400 |
| Marketing | $21,600 | 1.4% | $100 |
| Professional Fees | $21,600 | 1.4% | $100 |
| General and Administrative | $32,400 | 2.1% | $150 |
| Other Expenses (Resident Services) | $100,000 | 6.4% | $463 |
| Ground Rent | $0 | 0.0% | $0 |
| Total Expenses | $1,138,178 | 72.8% | $5,269 |
| | | | |
| Net Operating Income | $446,554 | 28.6% | $2,067 |
| | | | |
| Capital Reserve | $64,800 | 4.1% | $300 |
| Extraordinary Capital Items | $0 | 0.0% | $0 |
| Total Capital Expenses | $64,800 | 4.1% | $300 |
| | | | |
| Total Expenses incl Cap'l Expenses | $1,202,978 | 75.9% | $5,569 |
| | | | |
| Net Cash Flow (NOI w/Cap'l Expenses) | $381,754 | 24.1% | $1,767 |
| | | | |
| Debt Service | 331,019 | | |
| Actual Debt Service Coverage | 1.15 | | |

Pillar

**Liberty Square - Phase 2**

**Preliminary Loan Sizing**

| | |
|---|---|
| # Units | 216 |
| Loan Amount | $ 5,650,000 |
| 10-yr Treasury Rate (assumed at closing) | 2.00% |
| Spread (assumed at closing) | 2.74% |
| Total Rate (assumed at closing) | 4.74% |

| INCOME | Loan Sizing | | |
|---|---|---|---|
| | Amount | % | $/Unit |
| Gross Potential Rent | $1,653,113 | 100.0% | $7,653 |
| Vacancy | -$37,474 | 2.3% | ($173) |
| Bad Debt/Collection Loss | $0 | 0.0% | $0 |
| Concessions | $0 | 0.0% | $0 |
| Baseline Adjustment (PHA Asset Mgmt Fee) | -$52,507 | -3.4% | ($243) |
| Net Rental Income | $1,563,132 | 100.0% | $7,237 |
| Commercial Income | $0 | 0.0% | $0 |
| Commercial Vacancy | $0 | 0.0% | $0 |
| Net Commercial Income | $0 | 0.0% | $0 |
| Laundry/Vending | $0 | 0.0% | $0 |
| Parking | $0 | 0.0% | $0 |
| Other Income | $21,600 | 1.4% | $100 |
| Effective Gross Income | $1,584,732 | 101.4% | $7,337 |
| Real Estate Taxes | $89,894 | 5.8% | $416 |
| Property Insurance | $129,600 | 8.3% | $600 |
| Utilities | $129,600 | 8.3% | $600 |
| Repairs and Maintenance | $216,000 | 13.8% | $1,000 |
| Management Fee | $95,084 | 6.0% | $440 |
| Payroll and Benefits | $302,400 | 19.3% | $1,400 |
| Marketing | $21,600 | 1.4% | $100 |
| Professional Fees | $21,600 | 1.4% | $100 |
| General and Administrative | $32,400 | 2.1% | $150 |
| Other Expenses (Resident Services) | $100,000 | 6.4% | $463 |
| Ground Rent | $0 | 0.0% | $0 |
| Total Expenses | $1,138,178 | 72.8% | $5,269 |
| Net Operating Income | $446,554 | 28.6% | $2,067 |
| Capital Reserve | $64,800 | 4.1% | $300 |
| Extraordinary Capital Items | $0 | 0.0% | $0 |
| Total Capital Expenses | $64,800 | 4.1% | $300 |
| Total Expenses Incl Cap'l Expenses | $1,202,978 | 75.9% | $5,569 |
| Net Cash Flow (NOI w/Cap'l Expenses) | $381,754 | 24.1% | $1,767 |
| Debt Service | 331,019 | | |
| Actual Debt Service Coverage | 1.15 | | |

Pillar

**Liberty Square - Phase 3A**

**Preliminary Loan Sizing**

| | | |
|---|---|---|
| # Units | | 216 |
| Loan Amount | $ | 5,750,000 |
| 10-yr Treasury Rate (assumed at closing) | | 2.00% |
| Spread (assumed at closing) | | 2.74% |
| Total Rate (assumed at closing) | | 4.74% |

| INCOME | Loan Sizing Amount | % | $/Unit |
|---|---|---|---|
| Gross Potential Rent | $1,685,121 | 100.0% | $7,709 |
| Vacancy | -$39,595 | 2.4% | ($183) |
| Bad Debt/Collection Loss | $0 | 0.0% | $0 |
| Concessions | $0 | 0.0% | $0 |
| Baseline Adjustment (PHA Asset Mgmt Fee) | -$51,341 | -3.3% | ($238) |
| **Net Rental Income** | $1,574,185 | 100.0% | $7,288 |
| Commercial Income | $0 | 0.0% | $0 |
| Commercial Vacancy | $0 | 0.0% | $0 |
| **Net Commercial Income** | $0 | 0.0% | $0 |
| Laundry/Vending | $0 | 0.0% | $0 |
| Parking | $0 | 0.0% | $0 |
| Other Income | $21,600 | 1.4% | $100 |
| **Effective Gross Income** | $1,595,785 | 101.4% | $7,388 |
| Real Estate Taxes | $91,874 | 5.8% | $425 |
| Property Insurance | $129,600 | 8.2% | $600 |
| Utilities | $129,600 | 8.2% | $600 |
| Repairs and Maintenance | $216,000 | 13.7% | $1,000 |
| Management Fee | $95,747 | 6.0% | $443 |
| Payroll and Benefits | $302,400 | 19.2% | $1,400 |
| Marketing | $21,600 | 1.4% | $100 |
| Professional Fees | $21,600 | 1.4% | $100 |
| General and Administrative | $32,400 | 2.1% | $150 |
| Other Expenses (Resident Services) | $100,000 | 6.4% | $463 |
| Ground Rent | $0 | 0.0% | $0 |
| **Total Expenses** | $1,140,821 | 72.6% | $5,282 |
| **Net Operating Income** | $454,964 | 28.9% | $2,106 |
| Capital Reserve | $64,800 | 4.1% | $300 |
| Extraordinary Capital Items | $0 | 0.0% | $0 |
| **Total Capital Expenses** | $64,800 | 4.1% | $300 |
| **Total Expenses Incl Cap'l Expenses** | $1,205,621 | 75.6% | $5,582 |
| **Net Cash Flow (NOI w/Cap'l Expenses)** | $390,164 | 24.4% | $1,806 |
| **Debt Service** | 338,878 | | |
| **Actual Debt Service Coverage** | 1.16 | | |

Pillar

**Liberty Square - Phase 3B**

**Preliminary Loan Sizing**

| | | |
|---|---|---|
| # Units | | 144 |
| Loan Amount | $ | 4,000,000 |
| | | |
| 10-yr Treasury Rate (assumed at closing) | | 2.00% |
| Spread (assumed at closing) | | 2.74% |
| Total Rate (assumed at closing) | | 4.74% |

| INCOME | Loan Sizing | | |
|---|---|---|---|
| | Amount | % | $/Unit |
| Gross Potential Rent | $1,150,108 | 100.0% | $7,987 |
| Vacancy | -$33,465 | 2.9% | ($232) |
| Bad Debt/Collection Loss | $0 | 0.0% | $0 |
| Concessions | $0 | 0.0% | $0 |
| Baseline Adjustment (PHA Asset Mgmt Fee) | -$30,338 | -2.6% | ($211) |
| Net Rental Income | $1,086,305 | 100.0% | $7,544 |
| | | | |
| Commercial Income | $0 | 0.0% | $0 |
| Commercial Vacancy | $0 | 0.0% | $0 |
| Net Commercial Income | $0 | 0.0% | $0 |
| | | | |
| Laundry/Vending | $0 | 0.0% | $0 |
| Parking | $0 | 0.0% | $0 |
| Other Income | $14,400 | 1.3% | $100 |
| Effective Gross Income | $1,100,705 | 101.3% | $7,644 |
| | | | |
| Real Estate Taxes | $68,169 | 6.3% | $473 |
| Property Insurance | $86,400 | 8.0% | $600 |
| Utilities | $86,400 | 8.0% | $600 |
| Repairs and Maintenance | $144,000 | 13.3% | $1,000 |
| Management Fee | $66,042 | 6.0% | $459 |
| Payroll and Benefits | $201,600 | 18.6% | $1,400 |
| Marketing | $14,400 | 1.3% | $100 |
| Professional Fees | $14,400 | 1.3% | $100 |
| General and Administrative | $21,600 | 2.0% | $150 |
| Other Expenses (Resident Services) | $65,000 | 6.0% | $451 |
| Ground Rent | $0 | 0.0% | $0 |
| Total Expenses | $768,011 | 70.7% | $5,333 |
| | | | |
| Net Operating Income | $332,694 | 30.6% | $2,310 |
| | | | |
| Capital Reserve | $43,200 | 3.9% | $300 |
| Extraordinary Capital Items | $0 | 0.0% | $0 |
| Total Capital Expences | $43,200 | 3.9% | $300 |
| | | | |
| Total Expenses incl Cap'l Expenses | $811,211 | 73.7% | $5,633 |
| | | | |
| Net Cash Flow (NOI w/Cap'l Expenses) | $289,494 | 26.3% | $2,010 |

| | |
|---|---|
| First Mortgage Debt Service | 234,360 |
| First Mortgage DSCR | 1.24 |
| Surtax DS | 16,000 |
| Total DSCR | 1.16 |

Pillar

**Liberty Square - Phase 4B**

**Preliminary Loan Sizing**

| | | |
|---|---|---|
| # Units | | 120 |
| Loan Amount | $ | 5,350,000 |
| | | |
| 10-yr Treasury Rate (assumed at closing) | | 2.00% |
| Spread (assumed at closing) | | 2.74% |
| Total Rate (assumed at closing) | | 4.74% |

| INCOME | Loan Sizing | | |
|---|---|---|---|
| | Amount | % | $/Unit |
| Gross Potential Rent | $1,048,896 | 100.0% | $8,741 |
| Vacancy | -$63,654 | 6.1% | ($530) |
| Bad Debt/Collection Loss | $0 | 0.0% | $0 |
| Concessions | $0 | 0.0% | $0 |
| Baseline Adjustment (PHA Asset Mgmt Fee) | $0 | 0.0% | $0 |
| Net Rental Income | $985,242 | 100.0% | $8,210 |
| | | | |
| Commercial Income | $0 | 0.0% | $0 |
| Commercial Vacancy | $0 | 0.0% | $0 |
| Net Commercial Income | $0 | 0.0% | $0 |
| | | | |
| Laundry/Vending | $0 | 0.0% | $0 |
| Parking | $0 | 0.0% | $0 |
| Other Income | $12,000 | 1.2% | $100 |
| Effective Gross Income | $997,242 | 101.2% | $8,310 |
| | | | |
| Real Estate Taxes | $0 | 0.0% | $0 |
| Property Insurance | $72,000 | 7.3% | $600 |
| Utilities | $72,000 | 7.3% | $600 |
| Repairs and Maintenance | $120,000 | 12.2% | $1,000 |
| Management Fee | $59,835 | 6.0% | $499 |
| Payroll and Benefits | $168,000 | 17.1% | $1,400 |
| Marketing | $12,000 | 1.2% | $100 |
| Professional Fees | $12,000 | 1.2% | $100 |
| General and Administrative | $18,000 | 1.8% | $150 |
| Other Expenses (Resident Services) | $50,000 | 5.1% | $417 |
| Ground Rent | $0 | 0.0% | $0 |
| Total Expenses | $583,835 | 59.3% | $4,865 |
| | | | |
| Net Operating Income | $413,407 | 42.0% | $3,445 |
| | | | |
| Capital Reserve | $36,000 | 3.6% | $300 |
| Extraordinary Capital Items | $0 | 0.0% | $0 |
| Total Capital Expenses | $36,000 | 3.6% | $300 |
| | | | |
| Total Expenses Incl Cap'l Expenses | $619,835 | 62.2% | $5,165 |
| | | | |
| Net Cash Flow (NOI w/Cap'l Expenses) | $377,407 | 37.8% | $3,145 |

| | |
|---|---|
| First Mortgage Debt Service | 313,443 |
| First Mortgage DSCR | 1.20 |
| Surtax DS | 13,000 |
| Total DSCR | 1.16 |

Pillar

**Liberty Square - Phase 4C**

**Preliminary Loan Sizing**

| | |
|---|---|
| # Units | 120 |
| Loan Amount | $ 16,150,000 |
| | |
| 10-yr Treasury Rate (assumed at closing) | 2.00% |
| Spread (assumed at closing) | 2.74% |
| Total Rate (assumed at closing) | 4.74% |

| INCOME | Loan Sizing | | |
|---|---|---|---|
| | Amount | % | $/Unit |
| Gross Potential Rent | $2,113,776 | 100.0% | $17,615 |
| Vacancy | -$127,547 | 6.0% | ($1,063) |
| Bad Debt/Collection Loss | $0 | 0.0% | $0 |
| Concessions | $0 | 0.0% | $0 |
| Baseline Adjustment (PHA Asset Mgmt Fee) | $0 | 0.0% | $0 |
| Net Rental Income | $1,986,229 | 100.0% | $16,552 |
| | | | |
| Commercial Income | $0 | 0.0% | $0 |
| Commercial Vacancy | $0 | 0.0% | $0 |
| Net Commercial Income | $0 | 0.0% | $0 |
| | | | |
| Laundry/Vending | $0 | 0.0% | $0 |
| Parking | $0 | 0.0% | $0 |
| Other Income | $12,000 | 0.6% | $100 |
| Effective Gross Income | $1,998,229 | 100.6% | $16,652 |
| | | | |
| Real Estate Taxes | $143,253 | 7.2% | $1,194 |
| Property Insurance | $72,000 | 3.6% | $600 |
| Utilities | $72,000 | 3.6% | $600 |
| Repairs and Maintenance | $120,000 | 6.0% | $1,000 |
| Management Fee | $119,894 | 6.0% | $999 |
| Payroll and Benefits | $168,000 | 8.5% | $1,400 |
| Marketing | $12,000 | 0.6% | $100 |
| Professional Fees | $12,000 | 0.6% | $100 |
| General and Administrative | $18,000 | 0.9% | $150 |
| Other Expenses (Resident Services) | $100,000 | 5.0% | $833 |
| Ground Rent | $0 | 0.0% | $0 |
| Total Expenses | $837,147 | 42.1% | $6,976 |
| | | | |
| Net Operating Income | $1,161,082 | 58.6% | $9,676 |
| | | | |
| Capital Reserve | $36,000 | 1.8% | $300 |
| Extraordinary Capital Items | $0 | 0.0% | $0 |
| Total Capital Expenses | $36,000 | 1.8% | $300 |
| | | | |
| Total Expenses incl Cap'l Expenses | $873,147 | 43.7% | $7,276 |
| | | | |
| Net Cash Flow (NOI w/Cap'l Expenses) | $1,125,082 | 56.3% | $9,376 |

| | |
|---|---|
| First Mortgage Debt Service | 948,186 |
| First Mortgage DSCR | 1.19 |
| Surtax DS | 30,000 |
| Total DSCR | 1.15 |

Pillar

**Liberty Square - Phase 4D**

**Preliminary Loan Sizing**

| | |
|---|---|
| # Units | 240 |
| Loan Amount | $ 34,900,000 |
| | |
| 10-yr Treasury Rate (assumed at closing) | 2.00% |
| Spread (assumed at closing) | 2.74% |
| Total Rate (assumed at closing) | 4.74% |

| INCOME | Loan Sizing | | |
|---|---|---|---|
| | Amount | % | $/Unit |
| Gross Potential Rent | $4,227,552 | 100.0% | $17,615 |
| Vacancy | -$255,093 | 6.0% | ($1,063) |
| Bad Debt/Collection Loss | $0 | 0.0% | $0 |
| Concessions | $0 | 0.0% | $0 |
| Baseline Adjustment (PHA Asset Mgmt Fee) | $0 | 0.0% | $0 |
| **Net Rental Income** | **$3,972,459** | **100.0%** | **$16,552** |
| | | | |
| Commercial Income | $0 | 0.0% | $0 |
| Commercial Vacancy | $0 | 0.0% | $0 |
| **Net Commercial Income** | **$0** | **0.0%** | **$0** |
| | | | |
| Laundry/Vending | $0 | 0.0% | $0 |
| Parking | $0 | 0.0% | $0 |
| Other Income | $24,000 | 0.6% | $100 |
| **Effective Gross Income** | **$3,996,459** | **100.6%** | **$16,652** |
| | | | |
| Real Estate Taxes | $303,448 | 7.6% | $1,264 |
| Property Insurance | $144,000 | 3.6% | $600 |
| Utilities | $144,000 | 3.6% | $600 |
| Repairs and Maintenance | $240,000 | 6.0% | $1,000 |
| Management Fee | $239,788 | 6.0% | $999 |
| Payroll and Benefits | $336,000 | 8.5% | $1,400 |
| Marketing | $24,000 | 0.6% | $100 |
| Professional Fees | $24,000 | 0.6% | $100 |
| General and Administrative | $38,000 | 0.9% | $160 |
| Other Expenses (Resident Services) | $50,000 | 1.3% | $208 |
| Ground Rent | $0 | 0.0% | $0 |
| **Total Expenses** | **$1,541,236** | **38.6%** | **$6,422** |
| | | | |
| **Net Operating Income** | **$2,455,223** | **61.8%** | **$10,230** |
| | | | |
| Capital Reserve | $72,000 | 1.8% | $300 |
| Extraordinary Capital Items | $0 | 0.0% | $0 |
| **Total Capital Expenses** | **$72,000** | **1.8%** | **$300** |
| | | | |
| **Total Expenses Incl Cap'l Expenses** | **$1,613,236** | **40.4%** | **$6,722** |
| | | | |
| **Net Cash Flow (NOI w/Cap'l Expenses)** | **$2,383,223** | **59.6%** | **$9,930** |

| | |
|---|---|
| **First Mortgage Debt Service** | 2,044,700 |
| **First Mortgage DSCR** | 1.17 |
| **Surtax DS** | 17,000 |
| **Total DSCR** | 1.16 |

## SECTION 3.11.A) PROJECT FINANCE APPROACH – PHASE 4C

Pro Forma

Construction Lender Firm Commitment

Construction Lender Underwriting

Equity Firm Commitment

Equity Underwriting

Permanent Lender Firm Commitment

Permanent Lender Underwriting

# Liberty Square Rising - Phase 4C
## EXECUTIVE SUMMARY

| | |
|---|---|
| Address | - |
| | Miami, FL |
| Total Units | 120 |

| SOURCES | Construction Source of Funds | Per Unit | Permanent Source of Funds | Per Unit |
|---|---|---|---|---|
| Tax Credit Equity: | 665,674 | 5,547 | 2,218,912 | 18,491 |
| Bonds | 16,150,000 | 134,583 | 16,150,000 | 134,583 |
| HOME | 1,600,000 | 13,333 | 1,600,000 | 13,333 |
| County GOB | 800,000 | 6,667 | 800,000 | 6,667 |
| Surtax | 3,000,000 | 25,000 | 3,000,000 | 25,000 |
| Deferred Developer Fee: | 4,181,555 | 34,846 | 1,828,316 | 15,236 |
| **TOTAL** | **26,397,228** | **219,977** | **25,597,228** | **213,310** |

| USES | | Total | Per Unit |
|---|---|---|---|
| **Acquisition** | | | |
| Acquisition Costs | | 300,000 | 2,500 |
| **Construction** | | | |
| Residential Construction | | 13,080,000 | 109,000 |
| Community Education Center | | 1,000,000 | |
| GC Fees | 14% | 1,971,200 | |
| Hard Cost Contingency | 5% | 802,560 | |
| Total Construction | | 16,853,760 | 140,448 |
| **Soft Costs** | | | |
| Accountant Cost Cert: | | 50,000 | |
| Third party (appraisal, inspections, survey etc.) | | 56,500 | |
| Environmental | | 10,000 | |
| Architectural & Engineering | | 505,000 | |
| Other Project Soft Costs | | 1,530,629 | |
| Developer Legal Costs | | 180,000 | |
| Financing Costs - Issuance & Origination | | 508,480 | |
| Financing Legal Costs | | 210,000 | |
| Equity Syndication Costs | | 354,941 | |
| Replacement Reserve: | | 36,000 | |
| Lease Up Reserve | | 135,813 | |
| Operating Deficit Reserve | | 462,333 | |
| Debt Reserve: | | 500,000 | |
| Soft Cost Contingency | 5% | 141,606 | |
| Soft Costs | | 4,681,303 | 39,011 |
| **TOTAL COSTS before Developer Fee** | | **21,835,063** | **181,959** |
| Developer Fee | | 3,762,165 | 31,351 |
| **TOTAL COSTS** | | **25,597,228** | **213,310** |
| **Total Development Costs Excluding Land** | | **25,297,228** | **210,810** |

**SCHEDULE OF FORECASTED BASE-YEAR REVENUES AND EXPENSES**

**Project:** Liberty Square Rising - Phase 4C
**Project County:** Miami Dade

| Income Level Served | Number of BRs | Number of Units | Pro Forma Rent | Annual Rent |
|---|---|---|---|---|
| 50% | 1 | 12 | 579.00 | 83,376 |
| 50% | 2 | 12 | 696.00 | 100,224 |
| 120% | 1 | 48 | 1,523.00 | 877,248 |
| 120% | 2 | 48 | 1,828.00 | 1,052,928 |
| Totals | | 120 | | 2,113,776 |

| ANNUAL OPERATING | | CURRENT Annual | Annual Rents / Unit |
|---|---|---|---|
| Gross Potential Revenue | | 2,113,776 | 17,615 |
| Miscellaneous Revenue | | 12,000 | 100 |
| **Gross Potential Income** | | **2,125,776** | **17,715** |
| Vacancy and Collection Loss[2] | 6% | 127,547 | 1063 |
| PHA Asset Management Fee | 5% | - | 0 |
| **EFFECTIVE GROSS INCOME (EGI)** | | **1,998,229** | **16,652** |
| General & Administrative | | 18,000 | 150 |
| Payroll | | 168,000 | 1,400 |
| Utilities | | 72,000 | 600 |
| Marketing | | 12,000 | 100 |
| Maintenance & repairs | | 42,000 | 350 |
| Security | | 42,000 | 350 |
| Service contracts | | 36,000 | 300 |
| Resident Services | | 100,000 | 833 |
| Management Fee | | 119,894 | 999 |
| Professional services | | 12,000 | 100 |
| **Subtotal - Controllable** | | 621,894 | 5,182 |
| Real Estate Taxes | | 143,253 | 1,194 |
| Property and Liability Ins. | | 72,000 | 600 |
| **Subtotal - Taxes & Insurance** | | 215,253 | 1,794 |
| **Total Annual Operating Expenses & Reserves** | | **837,147** | **6,976** |
| Replacement Reserve Deposits | | 36,000 | 300 |
| **NET OPERATING INCOME (LOSS)** | | **$ 1,125,083** | **$ 9,376** |

OPERATING PROFORMA - Liberty Square Rising - Phase 4C

| Revenue | Growth | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 | Year 9 | Year 10 | Year 11 | Year 12 | Year 13 | Year 14 | Year 15 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Rental Income** | | | | | | | | | | | | | | | | |
| Tenant Rent | 3.0% | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Operating Subsidy | 3.0% | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Utility Subsidy | 3.0% | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Gross Potential Revenue | 2.0% | 2,113,776 | 2,156,052 | 2,199,173 | 2,243,156 | 2,288,019 | 2,333,780 | 2,380,455 | 2,428,064 | 2,476,625 | 2,526,158 | 2,576,681 | 2,628,215 | 2,680,779 | 2,734,395 | 2,789,083 |
| **Total Rent Revenue** | | **2,113,776** | **2,156,052** | **2,199,173** | **2,243,156** | **2,288,019** | **2,333,780** | **2,380,455** | **2,428,064** | **2,476,625** | **2,526,158** | **2,576,681** | **2,628,215** | **2,680,779** | **2,734,395** | **2,789,083** |
| | | | 1.0200 | | | | | | | | | | | | | |
| **Rent Loss** | | | | | | | | | | | | | | | | |
| Vacancy and Collection Loss | 6.0% | 127,547 | 130,097 | 132,699 | 135,353 | 138,060 | 140,822 | 143,638 | 146,511 | 149,441 | 152,430 | 155,479 | 158,588 | 161,760 | 164,995 | 168,295 |
| PHA Asset Management Fee | 5.0% | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **Total Rent Loss** | | **127,547** | **130,097** | **132,699** | **135,353** | **138,060** | **140,822** | **143,638** | **146,511** | **149,441** | **152,430** | **155,479** | **158,588** | **161,760** | **164,995** | **168,295** |
| | | | 1.0200 | | | | | | | | | | | | | |
| **Other Revenue** | | | | | | | | | | | | | | | | |
| Miscellaneous Revenue | 2.0% | 12,000 | 12,240 | 12,485 | 12,734 | 12,989 | 13,249 | 13,514 | 13,784 | 14,060 | 14,341 | 14,628 | 14,920 | 15,219 | 15,523 | 15,834 |
| **Total Other Revenue** | | **12,000** | **12,240** | **12,485** | **12,734** | **12,989** | **13,249** | **13,514** | **13,784** | **14,060** | **14,341** | **14,628** | **14,920** | **15,219** | **15,523** | **15,834** |
| | | | 1.0200 | | | | | | | | | | | | | |
| **Total Revenue** | | **1,998,229** | **2,038,194** | **2,078,958** | **2,120,537** | **2,162,948** | **2,206,207** | **2,250,331** | **2,295,338** | **2,341,244** | **2,388,069** | **2,435,831** | **2,484,547** | **2,534,238** | **2,584,923** | **2,636,621** |
| **Expenses** | | | | | | | | | | | | | | | | |
| General & Administrative | 3.0% | 18,000 | 18,540 | 19,096 | 19,669 | 20,259 | 20,867 | 21,493 | 22,138 | 22,802 | 23,486 | 24,190 | 24,916 | 25,664 | 26,434 | 27,227 |
| Payroll | 3.0% | 168,000 | 173,040 | 178,231 | 183,578 | 189,085 | 194,758 | 200,601 | 206,619 | 212,817 | 219,202 | 225,778 | 232,551 | 239,528 | 246,714 | 254,115 |
| Utilities | 3.0% | 72,000 | 74,160 | 76,385 | 78,676 | 81,037 | 83,468 | 85,972 | 88,551 | 91,207 | 93,944 | 96,762 | 99,665 | 102,655 | 105,734 | 108,906 |
| Marketing | 3.0% | 12,000 | 12,360 | 12,731 | 13,113 | 13,506 | 13,911 | 14,329 | 14,758 | 15,201 | 15,657 | 16,127 | 16,611 | 17,109 | 17,622 | 18,151 |
| Maintenance & repairs | 3.0% | 42,000 | 43,260 | 44,558 | 45,895 | 47,271 | 48,690 | 50,150 | 51,655 | 53,204 | 54,800 | 56,444 | 58,138 | 59,882 | 61,678 | 63,529 |
| Security | 3.0% | 42,000 | 43,260 | 44,558 | 45,895 | 47,271 | 48,690 | 50,150 | 51,655 | 53,204 | 54,800 | 56,444 | 58,138 | 59,882 | 61,678 | 63,529 |
| Service contracts | 3.0% | 36,000 | 37,080 | 38,192 | 39,338 | 40,518 | 41,734 | 42,986 | 44,275 | 45,604 | 46,972 | 48,381 | 49,832 | 51,327 | 52,867 | 54,453 |
| Resident Services | 3.0% | 100,000 | 103,000 | 106,090 | 109,273 | 112,551 | 115,927 | 119,405 | 122,987 | 126,677 | 130,477 | 134,392 | 138,423 | 142,576 | 146,853 | 151,259 |
| Management Fee | 3.0% | 119,894 | 123,491 | 127,195 | 131,011 | 134,941 | 138,990 | 143,159 | 147,454 | 151,878 | 156,434 | 161,127 | 165,961 | 170,940 | 176,068 | 181,350 |
| Professional services | 3.0% | 12,000 | 12,360 | 12,731 | 13,113 | 13,506 | 13,911 | 14,329 | 14,758 | 15,201 | 15,657 | 16,127 | 16,611 | 17,109 | 17,622 | 18,151 |
| Real Estate Taxes | 3.0% | 143,253 | 147,551 | 151,977 | 156,536 | 161,232 | 166,069 | 171,051 | 176,183 | 181,469 | 186,913 | 192,520 | 198,296 | 204,244 | 210,372 | 216,683 |
| Insurance | 3.0% | 72,000 | 74,160 | 76,385 | 78,676 | 81,037 | 83,468 | 85,972 | 88,551 | 91,207 | 93,944 | 96,762 | 99,665 | 102,655 | 105,734 | 108,906 |
| **Total Cost of Operations** | | **837,147** | **862,261** | **888,129** | **914,773** | **942,216** | **970,482** | **999,597** | **1,029,585** | **1,060,472** | **1,092,287** | **1,125,055** | **1,158,807** | **1,193,571** | **1,229,378** | **1,266,259** |
| **Replacement Reserve Deposits** | 3.0% | **36,000** | **37,080** | **38,192** | **39,338** | **40,518** | **41,734** | **42,986** | **44,275** | **45,604** | **46,972** | **48,381** | **49,832** | **51,327** | **52,867** | **54,453** |
| **Net Operating Income** | | **1,125,083** | **1,138,853** | **1,152,637** | **1,166,426** | **1,180,214** | **1,193,990** | **1,207,748** | **1,221,477** | **1,235,168** | **1,248,811** | **1,262,394** | **1,275,908** | **1,289,340** | **1,302,677** | **1,315,909** |
| **Debt Service - Hard** | | | | | | | | | | | | | | | | |
| First Mortgage | Rate | | | | | | | | | | | | | | | |
| *Interest Payments* | 4.74% | 761,533 | 752,587 | 743,209 | 733,376 | 723,067 | 712,258 | 700,926 | 689,044 | 676,587 | 663,527 | 649,834 | 635,478 | 620,426 | 604,645 | 588,100 |
| *Principal Payments* | | 184,654 | 193,599 | 202,978 | 212,811 | 223,120 | 233,928 | 245,261 | 257,142 | 269,599 | 282,659 | 296,352 | 310,709 | 325,760 | 341,541 | 358,087 |
| Total | | 946,186 | 946,186 | 946,186 | 946,186 | 946,186 | 946,186 | 946,186 | 946,186 | 946,186 | 946,186 | 946,186 | 946,186 | 946,186 | 946,186 | 946,186 |
| **Hard Pay Debt Service** | | **946,186** | **946,186** | **946,186** | **946,186** | **946,186** | **946,186** | **946,186** | **946,186** | **946,186** | **946,186** | **946,186** | **946,186** | **946,186** | **946,186** | **946,186** |
| *DSCR* | | *1.19* | *1.20* | *1.22* | *1.23* | *1.25* | *1.26* | *1.28* | *1.29* | *1.31* | *1.32* | *1.33* | *1.35* | *1.36* | *1.38* | *1.39* |
| Surtax | | | | | | | | | | | | | | | | |
| *Interest Payments* | 1.00% | 30,000 | 30,000 | 30,000 | 30,000 | 30,000 | 30,000 | 30,000 | 30,000 | 30,000 | 30,000 | 30,000 | 30,000 | 30,000 | 30,000 | 30,000 |
| *Principal Payments* | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total | | 30,000 | 30,000 | 30,000 | 30,000 | 30,000 | 30,000 | 30,000 | 30,000 | 30,000 | 30,000 | 30,000 | 30,000 | 30,000 | 30,000 | 30,000 |
| **Total Debt Service** | | 976,186 | 976,186 | 976,186 | 976,186 | 976,186 | 976,186 | 976,186 | 976,186 | 976,186 | 976,186 | 976,186 | 976,186 | 976,186 | 976,186 | 976,186 |
| *All-In DSCR* | | *1.15* | *1.17* | *1.18* | *1.19* | *1.21* | *1.22* | *1.24* | *1.25* | *1.27* | *1.28* | *1.29* | *1.31* | *1.32* | *1.33* | *1.35* |
| **Before Tax Cash Flow** | | 148,896 | 162,667 | 176,450 | 190,240 | 204,027 | 217,804 | 231,562 | 245,291 | 258,987 | 272,624 | 286,208 | 299,722 | 313,153 | 326,491 | 339,722 |
| **Deferred Developer Fee Balance** | | 1,828,316 | 1,684,420 | 1,526,903 | 1,355,757 | 1,170,981 | 972,582 | 760,574 | 534,983 | 295,841 | 43,193 | - | - | - | - | - |
| LP Asset Management Fee: | 3.0% | 5,000 | 5,150 | 5,305 | 5,464 | 5,628 | 5,796 | 5,970 | 6,149 | 6,334 | 6,524 | 6,720 | 6,921 | 7,129 | 7,343 | 7,563 |
| Deferred Developer Fee and Interest: | | 143,896 | 157,517 | 171,146 | 184,776 | 198,400 | 212,008 | 225,591 | 239,141 | 252,648 | 43,193 | - | - | - | - | - |
| **Cash Flow after Developer Fee** | | - | - | - | - | - | - | - | - | - | 222,907 | 279,488 | 292,800 | 306,024 | 319,148 | 332,159 |

Community Capital

February 2, 2016

Mr. Alberto Milo, Jr.
Related Urban Development Group ("RUDG")
444 Brickell Avenue Suite 301
Miami, FL 33131

**Re: Commitment to utilize Private Activity Volume Cap to finance Multifamily Rental Projects relating to the new construction of eight projects to be known as Liberty Square Rising Phase 1A, Liberty Square Rising Phase 1B, Liberty Square Rising Phase 2, Liberty Square Rising Phase 4B, Liberty Square Rising Phase 4C, and Liberty Square Rising Phase 4D located in Miami-Dade County, Florida (the "Property" or "Properties")**

Ladies and Gentlemen:

Citibank, N.A.("CITI") is pleased to offer to RUDG ("Sponsor"), as the Sponsor of to-be-formed affiliates ("Borrower" or "Borrowers"), this commitment ("Commitment") for financing , subject to the terms, requirements and conditions which follow. All capitalized terms used herein, unless otherwise defined, shall have the meaning set forth on Exhibit A annexed hereto and incorporated herein by this reference (the "Commitment Terms"). CITI's decision to issue this Commitment was made in reliance upon the representations and material supplied by Sponsor and Sponsor's representatives, as more particularly described on Exhibit B annexed hereto. CITI understands that Sponsor intends to submit this Commitment to Miami-Dade County Housing Finance Authority ("Governmental Lender") in support of Sponsor's application to obtain 1) private activity volume cap allocation(s) with respect to the financing of the Properties and 2) soft financing from Miami-Dade County. **This Commitment is subject to, among other things, CITI completing due diligence to confirm the representations made by Sponsor and obtaining credit committee approval.**

**In connection with this Commitment, CITI will be acting solely as a principal and not as your agent, advisor or fiduciary. CITI has not assumed a fiduciary responsibility with respect to this Commitment, and nothing in this Commitment or in any prior relationship between you and CITI will be deemed to create an advisory, fiduciary or agency relationship between us in respect of this Commitment. You should consider carefully whether you would like to engage an independent advisor to represent or otherwise advise you in connection with this Commitment, if you have not already done so.**

**A. Transaction Summary.** The terms of the tax-exempt financing transaction (the "Transaction") that is the subject of this Commitment is as follows:

1. On the issuance date (the "Closing Date"), CITI shall fund a loan (the "Funding Loan") to Governmental Lender, and Governmental Lender shall simultaneously issue a note (the "Governmental Lender Note") to CITI. The proceeds of the Funding Loan shall be used by Governmental Lender to make a tax-exempt loan (the "Tax-Exempt Loan" or the "Borrower Loan") to Borrower to finance the Property, for which the Governmental Lender receives a borrower note (the "Borrower Note"). Borrower shall be responsible for securing the issuance and delivery of the Tax-Exempt Loan by the Governmental Lender.

2. Upon closing of the transaction, the rights of Governmental Lender in the Borrower Loan and all documents evidencing and securing the Borrower Loan (the "Borrower Loan Documents") shall be assigned to a fiscal agent, which may be CITI (the "Fiscal Agent"), as security for the

Governmental Lender's obligations to CITI evidenced by the Governmental Lender Note. CITI will administer and direct the disbursement of the proceeds of the Funding Loan and the Borrower Loan and will oversee the construction work to be performed on the Property (the "Improvements"). The completion of the Improvements and all related work shall be performed during the Construction Phase (as hereinafter defined).

3. CITI shall have the right to engage a third party servicer ("Servicer") to provide limited servicing/oversight functions on behalf of CITI pursuant to a separate servicing agreement with CITI. CITI shall pay Servicer any applicable servicing fee.

4. Intentionally Omitted

5. CITI anticipates that CITI's interest in the Tax-Exempt Loan may be transferred to any eligible investor, which may be a government sponsored enterprise or institutional investor (or a trust for the benefit thereof) and CITI's underwriting and documentation will provide for the possibility of such transfer.

**B. Conditions Precedent to Closing.** The obligation of CITI to make the Funding Loan is subject to satisfaction of the following conditions precedent ("Conditions Precedent to Closing"), in each case in a manner acceptable to CITI. The form and substance of all documents and items submitted by Borrower hereunder must be acceptable to CITI and its counsel.

1. Credit Approval. This Commitment is subject, among other things, to CITI obtaining final credit committee approval. Sponsor understands and agrees that this is subject to final approvals as set forth in Part E.4. of this Commitment and is not an agreement to make a loan. Any documentation will be forthcoming only after final approval of the underwriting by CITI's credit committee. The financing will be documented separately and will contain terms and conditions that may be in addition to or in substitution of those set forth in the Commitment.

2. Documents. Borrower shall duly authorize, execute and deliver or cause to be delivered at closing a Multifamily Note, a Multifamily Deed of Trust, Deed to Secure Debt or Mortgage, where appropriate (the "Security Instrument"), a Guaranty or Guarantees (including a Completion and Payment Guaranty for the Construction Phase and a Non-recourse Carve-out Guaranty), an Agreement of Environmental Indemnification, a Replacement Reserve Agreement, a Construction Funding Agreement, Assignments and any other assignment, financing statement, agreement or document required by CITI in connection with the Loan (collectively, the "Mortgage Documents"). The Funding Loan Agreement, the Regulatory Agreement, the Borrower Loan Agreement, the Borrower Note and all other documents executed or issued in connection with the transaction shall be referred to, collectively, as the "Tax-Exempt Loan Documents". The Security Instrument and Borrower Note shall initially be for the benefit of Governmental Lender and shall be assigned on the Closing Date to CITI. The Tax-Exempt Loan Documents must be in a form satisfactory to CITI and Governmental Lender. Where appropriate, the Mortgage Documents and the Tax-Exempt Loan Documents shall be acknowledged, recorded and filed in the public record, and all recording receipts promptly delivered to CITI.

3. Title Insurance. Borrower shall promptly deliver to CITI a commitment for a mortgagee's title insurance policy, prepared in accordance with CITI's title insurance instructions, along with a pro forma policy in the form included in such instructions. The title insurance commitment and policy must satisfy all of the requirements of such instructions and include such other coverage and endorsements as CITI may require. The company and/or agent issuing the commitment shall be acceptable to CITI in all respects. Borrower shall also furnish CITI with copies of all instruments affecting title to the Property including, but not limited to, all instruments referenced in Schedule B of the pro forma policy.

4. UCC Search/Perfection. Borrower shall commission UCC searches in the real estate records and personal property records of the following jurisdictions and shall furnish written reports of such searches to CITI: (i) the jurisdiction where the Property is located, (ii) any other jurisdiction in which Borrower has its principal office for the conduct of its business, (iii) in the central UCC filing location specified by the law of the state where the Property is located, and (iv) any other office where filing is necessary to perfect Governmental Lender's or Fiscal Agent's security interest in the Collateral (as hereinafter defined). All such searches shall be updated to the time of recordation of the Mortgage Documents and shall show no security interests affecting the Property, Guarantor or Borrower, other than those naming Governmental Lender or Fiscal Agent as the secured party. Borrower shall cause the appropriate filing of financing statements, on forms supplied by CITI, evidencing Governmental Lender's or Fiscal Agent's perfected first priority security interest in all personal property, machinery, equipment, building materials, contract rights, furniture, fixtures, royalties, receivables and other rights related thereto, as well as all leases, rents, revenues and proceeds therefrom and all proceeds of the foregoing (collectively, the "Collateral"). Such filing shall be in compliance with both the Uniform Commercial Code, as adopted in the state in which the Property is located, and all other applicable laws affecting the perfection of security interests. Borrower shall furnish to CITI, promptly upon recordation, receipted or time stamped copies of the filed financing statements.

5. Authority. Borrower shall furnish to CITI certified documents satisfactory to CITI evidencing Borrower's power and authority to enter into the Mortgage Documents and the Tax-Exempt Loan Documents. If Borrower is a corporation, such documents shall include Borrower's Articles of Incorporation, Bylaws, corporate resolution relevant to the Loan and a Certificate of Good Standing from the state of incorporation and the state where the Property is located. If Borrower is a partnership, such documents shall include a copy of the partnership agreement and partnership certificate, and the above-referenced corporate documents for any corporate general partner of Borrower. If Borrower is a limited liability company, such documents shall include a copy of the Articles of Organization and Operating Agreement and the Certificate of Authenticity or Certificate of Good Standing from the state of organization and the state where the Property is located.

6. Leases. The standard form of lease used at the Property shall be subject to the prior written approval of CITI. All new leases and renewals of existing leases shall be made on the approved standard form of lease unless otherwise agreed to by CITI. There must be no commercial leases affecting the Property, except for any laundry lease and other commercial lease disclosed in writing to and approved in writing by CITI and its counsel prior to the date of this Commitment. Any current commercial lease or laundry lease must be subordinated to the lien of the Security Instrument and other Mortgage Documents. Borrower agrees that any future commercial lease or laundry lease or renewal of any current commercial lease or laundry lease will contain language acceptable to CITI subordinating said lease to the lien of the Security Instrument and other Mortgage Documents. There must be no default under any current commercial lease or laundry lease.

7. Borrower's Management Agreement. Borrower shall furnish to CITI a copy of Borrower's management agreement. The management agreement must be with a professional management company and both the management company and the terms of the management agreement must be approved in writing by CITI. Borrower shall not make or permit to be made any changes to the management agreement without the prior written approval of CITI. Without limiting the foregoing, the management agreement must be terminable by owner on 30 days' notice, with or without cause and without payment of any termination fee. If required by CITI, a portion of the management fee

may be required to be subordinated to debt service and other amounts payable with respect to the Loan.

8. Rent Roll. [not applicable]

9. Appraisal. CITI shall have received an appraisal of the Property satisfactory to CITI.

10. Opinion of Borrower's Counsel. Borrower shall deliver to CITI a written opinion by Borrower's counsel approved by CITI, addressed to CITI, Issuer and Bond Trustee and in the form furnished or approved by CITI's counsel.

11. Insurance. Borrower shall deliver to CITI an insurance policy evidencing the existence of insurance relating to the Property, which evidence shall include "paid" premium invoices, conforming in all respects to CITI's insurance requirements as provided to Borrower in a separate package, as same may, from time to time, be modified. Such insurance for the Property shall include, without limitation, coverage for acts of terrorism and, if applicable, flood insurance (as more particularly set forth in Paragraph 17 below). In addition, Borrower must deliver prior to closing (i) the original, or a copy certified by the insurance agent, of the policy(ies) of insurance; or (ii) the insurance binder; or (iii) a certificate of insurance (Acord Form 28 property or Acord Form 27 liability or other form, satisfactory to Lender, provided by the insurance agent); or (iv) original letter from the insurance carrier on the primary layer, signed by an officer of such carrier, attaching the form of insurance policy pursuant to which coverage is being provided, and, if applicable, original letter from each insurance carrier on the excess layers, signed by an officer of such carrier(s) agreeing that it is bound to the form of insurance policy delivered by the primary carrier *(i.e.*, agreeing to "follow form" to the primary carrier). The letter must set forth the date by which the policy will be delivered to CITI, which must not be more than sixty (60) days following closing. All mortgagee/loss payee/additional insured endorsements must be attached to the letter.

12. Permits/Occupancy. Borrower shall deliver to CITI evidence satisfactory to CITI that all applicable governmental authorities have authorized construction of the Improvements and the development and, if applicable, the operation of the Property as a multifamily residential unit, including, without limitation, occupancy permits (if applicable) and building permits. Any nonresidential occupancy must be approved in writing by CITI.

13. Zoning/Subdivision. Borrower shall deliver to CITI certification from the local governmental authority (i) that the use of the Property as a multifamily residential complex complies with all zoning and subdivision ordinances and regulations applicable to the Property and that it is either a legal, conforming use or a legal, nonconforming use acceptable under CITI's underwriting standards, (ii) that the Property has been properly subdivided, and (iii) that the improvements on the Property can be rebuilt on the same location to their presently existing size, shape and density if partially or totally destroyed.

14. Access/Utilities. Borrower shall deliver to CITI evidence satisfactory to CITI that the Property is located on a publicly dedicated and maintained roadway or acceptable easement thereto, is served by public water and sewer systems, electricity and telephone service, and receives adequate municipal services (fire, police and transportation, among others).

15. Other Compliance. Borrower shall deliver to CITI evidence satisfactory to CITI that the Property, and Borrower's operation thereof, is in compliance with all local and/or state building, safety, health and fire codes, all clean air and water acts and other Hazardous Materials Laws (as hereinafter defined), and all equal opportunity, anti-discriminatory and fair housing requirements.

16. Survey. Borrower shall deliver to CITI a current, certified, "boundary" or "as-built" (as applicable) ALTA survey of the Property and surveyor's certificate, prepared by a registered engineer or surveyor approved by CITI. The survey and surveyor's certificate shall be satisfactory in form and substance to CITI and shall contain those matters set forth in CITI's survey instructions.

17. Flood Zone Map/Certification/Insurance. Borrower shall deliver to CITI a certification from Borrower's architect, engineer or surveyor stating whether the Property is located in a designated special Flood Plain Hazard area, as designated by appropriate federal agencies. If all or any portion of the Property is at any time during the term of the Loan, located in such an area, Borrower shall provide satisfactory evidence to CITI of the existence of flood insurance policies in the maximum amount required pursuant to applicable laws covering all of the improvements on the Property which lie within, are bounded by, or are in any way affected by such area.]

18. Operating Documents. Borrower shall furnish copies of any form documents used for the Property and any equipment leases, licenses, franchises, permits, contracts, and any other agreements required for the operation, use, management or occupancy of the Property, and all such items shall be subject to written approval by CITI.

19. Financial Statements of Borrower and Guarantor. CITI shall receive, for its review and approval detailed financial statements for Borrower, any principal in Borrower and each Guarantor, certified by Borrower, such principal or the Guarantor, as the case may be. CITI may also require updated and/or recertified financial statements as of the Closing Date.

20. Environmental Assessment Report. CITI shall receive and approve a written report or reports from CITI's independent environmental inspectors confirming that the Property and any site within the vicinity of the Property (i) has not contained and does not currently contain any Hazardous Material or underground storage tanks or any other pollutants that could be detrimental to the Property, human health or the environment, (ii) does not contain radon gas in levels unacceptable to CITI, (iii) complies with all applicable Hazardous Material Laws and has not been identified by any environmental regulatory body as a site containing Hazardous Material or underground storage tanks, (iv) shows no other environmental problem that would bring the Property within the purview of any federal, state or local environmental law or ordinance, and (v) contains no residual effect due to the removal of storage tanks or Hazardous Material. All deficiencies with respect to any environmental matters which CITI deems to be material shall be corrected by Borrower at its own expense to the satisfaction of CITI. "Hazardous Material" means and includes, without limitation, mold, asbestos and any substance containing asbestos, the group of organic compounds known as polychlorinated biphenyls, flammable explosives, radioactive materials, lead-based paint, chemicals known to cause cancer or reproductive toxicity, pollutants, effluents, contaminants, emissions or related materials and any items included in the definition of hazardous or toxic wastes, materials or substances under the Hazardous Material Laws. "Hazardous Material Laws" means and includes, all federal, state and local statutes, ordinances, regulations, orders, and decrees now or hereafter promulgated in connection with preserving the environment and/or the handling, storage, transport and disposal of Hazard Material.

21. Separate Tax Parcel(s). The Property shall constitute one or more separate and distinct tax parcels for purposes of all real estate taxes and assessments. There shall be no overlap whatsoever between the Property and any other property which will not be subject to the first lien of the Security Instrument. Borrower shall also furnish the most recent tax bills for the Property.

22. Opinion of Tax Counsel. CITI must receive from nationally recognized tax counsel approved by CITI an unqualified opinion (i) as to the validity and enforceability of the Tax-Exempt Loan, (ii) that the interest on the Tax-Exempt Loan is excluded from the gross income of

the owners thereof for federal income tax purposes under the Internal Revenue Code of 1986, as amended, and (iii) that the interest on the Tax-Exempt Loan is excluded from the gross income of the owners thereof for state income tax purposes if such exclusion is available under state law. Tax counsel must have (a) addressed its opinion to CITI, (b) addressed its opinion to CITI or (c) provided CITI a letter, addressed to CITI, stating that CITI may rely upon the opinion. Both the opinion and, if applicable, the reliance letter must be satisfactory to CITI.

23. Governmental Lender Requirements. CITI must receive evidence that Governmental Lender shall not impose restrictions, requirements or conditions in connection with its willingness to issue the Tax-Exempt Loan that are unacceptable to CITI. The restrictions imposed by the Tax-Exempt Loan Documents must be consistent with the restrictions on the use of the Property, on the income of tenants and on any rent charge that was used in underwriting the Funding Loan.

24. Low-Income Housing Tax Credits ("LIHTC"). CITI must approve any land use restriction agreement or regulatory agreement regulating or restricting the use or manner of operation of the Property and requiring that the Property be operated as a residential rental project occupied by individuals of low income (as provided for in the Treasury Regulations under Section 42(g) of the Internal Revenue Code). Such regulatory agreement must provide that the Property shall at all times be operated in such manner as to comply with the requirements of the Internal Revenue Code, the Treasury Regulations and IRS Rulings for obtaining and for preserving the LIHTC. In addition, the eligibility of the Property for LIHTC shall be evidenced to CITI in a manner satisfactory to CITI. Such regulatory agreement must be reviewed and approved in writing by CITI.

25. Equity and Funding Conditions. CITI must approve the partners/members (including the Tax Credit Investor), the applicable investment agreement, and the organizational documents of Borrower. CITI must receive and approve evidence satisfactory to CITI in all respects that the amount of the equity contribution is projected to be at least the level used by CITI in underwriting the transaction. Borrower's organizational documents shall contain restrictions acceptable to CITI on the syndication or other transfer of the Tax Credit Investor's interest, in whole or in part (including any interest therein), to eligible investors. In addition, prior to the Closing Date, CITI must receive and approve evidence satisfactory to CITI in all respects that Borrower (i) has timely received all required equity contributions to be made to Borrower as of the Closing Date, (ii) has fully funded, for the benefit of the Property, all cash required to be invested in the Property as of the Closing Date, and (iii) has made satisfactory arrangements to fund all cash required to be funded after the Closing Date. Borrower must also provide and CITI must approve in writing any developer's agreement relating to the Property.

26. Construction Phase Budget. CITI will require satisfactory evidence that other funds and Loan Proceeds are adequate to complete the Improvements and carry the costs of the Property (including but not limited to interest, taxes, insurance, and operating costs), as determined by CITI based upon its review of scope of work, the Appraisal and other relevant information. CITI reserves the right to receive, review and approve all project expenditures made prior to closing.

27. Architectural Consultant and Construction Inspector. CITI shall have approved an architectural consultant to monitor the progress of the Improvements (the "Architectural Consultant") and Borrower and the Architectural Consultant shall have executed and delivered to CITI an agreement in form and substance acceptable to CITI, pursuant to which the Architectural Consultant shall agree to certify hard cost progress payments and to provide the certifications required pursuant to this Commitment upon completion of the Improvements. In addition, CITI will enter into an agreement directly with a construction inspector ("Construction Inspector") for the benefit of CITI, but at the sole cost and expense of Borrower, to review the

plans and specifications, contracts and budget for the Improvements and to monitor the progress of the construction of the Improvements in the manner required by CITI.

28. Approved Plans. CITI and its engineering consultants and the Construction Inspector shall have received and approved the plans and specifications for the Improvements (such plans and specifications, as approved by CITI are referred to herein as the "Approved Plans"), the budget for completion of the Improvements, a fixed or a guaranteed maximum price contract for completion of the Improvements with a general contractor acceptable to CITI and a construction draw schedule for the Improvements.

29. Change Orders. The Approved Plans and the Construction Contract, and any change orders issued thereunder, will be subject to the approval of CITI.

30. Contractors. The architect, general contractor and such other contractors and subcontractors with respect to the Property as shall be identified by Borrower and approved by CITI shall have acknowledged the collateral assignment of their respective contracts to CITI and agreed in writing to continue performance on behalf of CITI under their respective contracts without additional cost in the event of a default by Borrower, which agreements shall be in form and substance acceptable to CITI and its counsel.

31. Payment and Performance Bonds. To the extent indicated on Exhibit A hereto, Borrower shall be required to deliver to CITI payment and performance bonds with respect to its contractor and major subcontractors (as determined by CITI).

32. Additional Documents. Upon request by CITI, Borrower shall furnish CITI with any documentation being furnished to any other party lending or investing in the Property (including CITI), including any plans for the Improvements, construction budgets, contracts and disbursement requests. In addition, Borrower shall deliver to CITI all other documents, instruments and other items required by CITI in connection with the making of the Funding Loan.

33. Additional Funding Requirements: All final documentation and due diligence must be delivered to tax counsel and/or counsel to CITI prior to the release of any funds for the Funding Loan, and under no circumstances will CITI authorize the closing of the Funding Loan until counsel to CITI has received the following final documentation: Trust Indenture, Funding Loan Agreement, Tax Certificate (or comparable document), Multifamily Note(s), the regulatory agreement/land use restriction agreement associated with the Tax-Exempt Loan, TEFRA approval(s), Governmental Lender's resolution(s), proof of volume allocation, , IRS Form 8038, final opinions of tax counsel and Borrower's counsel, any enhancement instrument, and, if applicable, all documentation required from HUD.

34. Fees and Expenses. Borrower shall have paid the Financing Fee (as hereinafter defined) and any other costs and expenses then due and payable pursuant to the provisions of this Commitment.

C. Intentionally Omitted

D. Fees and Expenses. Borrower shall be responsible for the following fees and expenses in connection with the financing:

1. Application Fee. Borrower hereby acknowledges requirement of an application fee (the "Application Fee") as set forth in the Commitment Terms, which amount shall be non- refundable. In the event additional funds are required to complete CITI's review and due diligence, Borrower will be advised of such costs in advance. Any and all additional costs will be billed to Borrower as they are incurred. The Application Fee is applicable toward third party reports,

underwriting and processing (as set forth in the Commitment Terms), and CITI's legal fees.

2. Origination Fee. The Origination Fee as set forth in the Exhibit A shall be due and payable on the Closing Date. The Origination Fee reflects a fee payable to CITI in exchange for providing financing for the Project.

3. Conversion Fee. Not applicable.

4. Fees and Expenses. Sponsor shall pay when due, whether or not the closing occurs, all reasonable and actual expenses, fees and charges with respect to the cost of issuance of the Tax-Exempt Loan (including tax and Governmental Lender counsel fees, Governmental Lender fees, Fiscal Agent fees, Fiscal Agent counsel fees, financial advisor fees, printing and mailing costs and other Tax-Exempt Loan related fees and costs), and the Tax-Exempt Loan processing and closing, or in any way connected therewith, including, without limitation, appraisal fees, survey costs, title insurance costs, architectural fees, engineering fees, inspection fees, mortgage or similar taxes and all attorneys' fees and legal costs of CITI. Without limiting the foregoing, Sponsor specifically agrees to pay all costs relating to document preparation and review of real estate due diligence items by counsel to CITI.

E. **Assignment; Acceptance; Termination.**

1. Acceptance. In order for this Commitment to be binding on CITI, Sponsor must execute a copy of this Commitment and return it, along with the Application Fee to CITI within five (5) business days after the date first set forth above (the "Outside Acceptance Date"), time being of the essence.

2. Expiration. This Commitment must be accepted on or before the Outside Acceptance Date, and the Tax-Exempt Loan must be issued prior to the Outside Closing Date set forth in the Commitment Terms, or this Commitment shall terminate and be of no further force and effect; provided, however that the provisions of this Commitment that explicitly survive termination shall continue in full force and effect. In the event that Sponsor does not obtain an allocation for the full amount of the Tax-Exempt Loan at least thirty (30) days prior to the Outside Closing Date, or the issuance of the Tax-Exempt Loan and the making of the Funding Loan by CITI does not occur by the Outside Closing Date, Sponsor may request an extension of this Commitment (not to exceed ninety (90) days), which extension shall be in Citi's sole discretion. In the event the requested extension is approved by CITI in its sole discretion, in addition to the Financing Fee and other amounts due hereunder, Sponsor shall pay to CITI a commitment extension fee equal to 0.25% (25 basis points) of the Construction Phase Amount on the Closing Date.

3. Termination. CITI may terminate this Commitment at any time if:

a. Any material adverse change (financial or otherwise) shall occur at any time prior to the Closing Date with respect to (i) the Property, the proposed Improvements, and/or the other security for the Tax-Exempt Loan, or (ii) the credit of Borrower and/or Sponsor (and/or any of the principals of Borrower and/or Sponsor) or any Guarantor or any other person or entity connected with the Loan, or (iii) any other source of repayment of the Loan.

b. Any part of the Property shall have been taken in condemnation or other like proceeding, or any such proceeding is pending or threatened as of the Closing Date, or any part of the Property is damaged and not repaired to CITI's satisfaction prior to the Closing Date.

c. If requested, certifications of the non-occurrence of (a) and (b) above, in form acceptable to CITI, are not executed by Borrower on the Closing Date, or if Borrower has not delivered on the Closing Date updated personal financial statements for any Guarantor.

d. After acceptance of this Commitment, the Tax-Exempt Loan is not issued and closed on or prior to the Outside Closing Date (as the same may be extended pursuant to Section E2.).

e. If, in CITI's sole judgment, CITI's underwriting and due diligence indicate the reasonable possibility of a material adverse change in the Property, the proposed Improvements, the Sponsor, the Borrower and/or any Guarantor.

f. If the OFAC representation and warranty in Section F5. is no longer true and correct.

4. Upon termination, Sponsor shall pay to CITI any other reasonable damages CITI may have incurred due to non-delivery of the Tax-Exempt Loan. **Sponsor's or Borrower's obligation to pay all amounts due under this Commitment shall survive the termination or expiration of this Commitment.** If Sponsor or Borrower fails or refuses to comply with the terms of this Commitment, CITI, at its option, shall have the right to enforce any rights and remedies it may have at law or in equity, including, but not limited to, the collection of costs and expenses arising out of such breach, including reasonable attorneys' fees and disbursements.

5. Final Underwriting. By accepting this Commitment, Sponsor expressly acknowledges that the obligation of CITI to provide the Funding Loan is subject to the completion of final loan underwriting by CITI, final CITI loan committee approval, and the satisfaction of any additional or differing conditions including interest rates that may be required by CITI as a result of such committee approval. By accepting this Commitment, Sponsor expressly acknowledges that the obligation of CITI to provide the financing described in this Commitment is subject to the satisfaction of the obligations and terms and conditions required by Citi for new construction and rehabilitation projects.

**F. Miscellaneous.**

1. Further Assurances. Sponsor hereby expressly acknowledges that CITI intends to incur costs upon acceptance of this Commitment. Upon acceptance of the Commitment, Sponsor shall be strictly obligated to close the transaction contemplated hereby. Sponsor acknowledges that failure to close the transaction will subject CITI to substantial costs and damages. Therefore, Sponsor hereby expressly agrees:

a. To perform all of the requirements, terms and conditions contained herein at the time and in the manner herein and as required by CITI.

b. Refrain from taking any action that would result in CITI's inability to arrange for the making of the Funding Loan.

c. On the request of CITI, to re-execute or ratify any of the Mortgage Documents and/or the Tax-Exempt Loan Documents, or execute any other documents as may be reasonably necessary to effect the delivery of the Tax-Exempt Loan to any investor.

2. Indemnification for Brokerage Commissions. Sponsor acknowledges and agrees that any fees due for tax-exempt loan or related mortgage loan origination services shall be Borrower's sole responsibility. Borrower and Sponsor shall indemnify and hold CITI harmless from and against any and all claims, demands and liability for brokerage commissions, assignment fees, finders' fees or other compensation whatsoever arising from the issuance of this Commitment, the making of

the Tax-Exempt Loan that may be asserted against CITI by any person or entity. **Sponsor's and Borrower's obligation to indemnify CITI hereunder shall survive the termination or expiration of this Commitment.**

3. Authorization. Sponsor and the undersigned Guarantor hereby authorize CITI to obtain and forward any and all credit information, including credit reports and financial statements and all other information of any kind received or reasonably required in connection with this Commitment to any rating agency and to any potential investor.

4. Exclusivity. The terms and provisions of this Commitment are intended for the sole and exclusive benefit of CITI and Borrower, and not for the benefit of, nor for the purpose of being relied upon, by any other party.

5. OFAC Provisions. Sponsor hereby represents and warrants that no portion of the Property has been or will be purchased, improved, equipped or furnished with proceeds of any illegal activity. Sponsor further represents and warrants that to the best of Sponsor's knowledge, after having made diligent inquiry, Sponsor, Borrower, each Person owning a direct or indirect interest in Borrower, each Guarantor, each person owing a direct or indirect interest in each Guarantor, the Property Manager, and each tenant at the Property: (a) is not currently identified on OFAC List, and (b) is not a Person with whom a citizen of the United States is prohibited to engage in transactions by any trade embargo, economic sanction, or other prohibition of United States law, regulation, or Executive Order of the President of the United States. The Sponsor further acknowledges and agrees that it shall have a continuing obligation during the processing of this Commitment to notify CITI promptly if it knows or has reason to believe that the representations and warranties contained herein are no longer correct. Sponsor has implemented procedures, and will consistently apply those procedures throughout the term of the Tax-Exempt Loan, to ensure the foregoing representations and warranties remain true and correct during the term of the Tax-Exempt Loan. For the purposes hereof, "OFAC List" means the list of specially designated nationals and blocked persons subject to financial sanctions that is maintained by the U.S. Treasury Department, Office of Foreign Assets Control and any other similar list maintained by the U.S. Treasury Department, Office of Foreign Assets Control pursuant to any Requirements of Law, including, without limitation, trade embargos, economic sanctions, or other prohibitions imposed by Executive Order of the President of the United States, which OFAC List is accessible through the internet website http://www.treasury.gov/ofac/downloads/t11sdn.pdf, and "Person" means an individual, partnership, limited partnership, corporation, limited liability company, business trust, joint stock company, trust, unincorporated association, joint venture, governmental authority or other entity of whatever nature.

6. Borrower's Representations. The validity of this Commitment and CITI's obligations hereunder shall at all times be subject to the accuracy and validity of all information and representations furnished by Sponsor to CITI with regard to the Tax-Exempt Loan , which shall have been and shall continue to be true and not misleading in all material respects.

7. Loan Data. All inspections, reports, appraisals, environmental studies or other data submitted to, commissioned for, conducted or produced by or for CITI are for its benefit and use and shall be the property of CITI. No right of inspection or approval contained in this Commitment shall be deemed to impose upon CITI any duty or obligation whatsoever to take any action or to notify any person with respect thereto, and no liability shall be imposed upon any such party and no warranty shall be deemed or construed to arise by reason of any inspection undertaken or approval given by any such party, its agents, employees or representatives, any such inspections and approvals being made solely for the benefit of such party. **The provisions of this paragraph shall survive the termination or expiration of this Commitment.**

8. Discretion. In any instance where the consent or approval of CITI may be given or is required, or where any determination, judgment or decision is to be rendered by CITI under this Commitment, the granting, withholding or denial of such consent or approval and the rendering of such determination, judgment or decision shall be made or exercised by CITI (or its designated representative) at its sole and exclusive option and in its sole and absolute discretion.

9. Waiver. CITI reserves the right, in its sole discretion, to waive in whole or part any of the terms, requirements and conditions in this Commitment, the Mortgage Documents, the Bond Documents or other documents referenced herein; provided, however, that such waiver shall in no event be construed to constitute a waiver of the applicable terms, requirements or conditions as they may apply in the future.

10. Successors and Assigns. Sponsor acknowledges and agrees that CITI at its option may assign or otherwise transfer the Bonds and all documents evidencing and securing the Bonds including, but not limited to, this Commitment, to other parties subsequent to the execution of this Commitment. Neither Sponsor nor Borrower may assign its rights, interest, or obligations under this Commitment without first obtaining CITI's prior written consent. This Commitment shall be binding upon the successors and permitted assigns of Borrower.

11. Governing Law. This Commitment shall be governed by and construed in accordance with the laws of the State of New York. Sponsor agrees that any legal action that may arise out of this Commitment will be commenced only in the United States District Court, Southern District of New York, or New York State Courts sitting in New York County, New York, and Sponsor hereby submits to the jurisdiction of any such court. All Mortgage Documents and Bond Documents (other than this Commitment) shall be governed by the laws of the State where the Property is situated. **The governing law election with respect to this Commitment shall survive the termination or expiration of this Commitment.**

12. WAIVER OF TRIAL BY JURY. SPONSOR AGREES NOT TO ELECT A TRIAL BY JURY WITH RESPECT TO ANY ISSUE ARISING OUT OF THIS COMMITMENT OR THE RELATIONSHIP BETWEEN BOND PURCHASER, BONDHOLDER REPRESENTATIVE AND BORROWER OR SPONSOR THAT IS TRIABLE OF RIGHT BY A JURY AND WAIVES ANY RIGHT TO TRIAL BY JURY WITH RESPECT TO SUCH ISSUE TO THE EXTENT THAT ANY SUCH RIGHT EXISTS NOW OR IN THE FUTURE. THIS WAIVER OF RIGHT TO TRIAL BY JURY IS GIVEN BY SPONSOR KNOWINGLY AND VOLUNTARILY WITH THE BENEFIT OF COMPETENT LEGAL COUNSEL AND APPLIES TO ALL ACTIONS WHETHER ARISING IN CONTRACT, TORT, EQUITY OR OTHERWISE. **THIS PROVISION SHALL SURVIVE THE TERMINATION OF EXPIRATION OF THIS COMMITMENT.**

13. Survival. The covenants, terms and conditions set forth in this Commitment shall not survive the Closing Date (unless expressly provided to the contrary). In the event of any conflict between this Commitment and the Mortgage Documents and/or the Bond Documents, the Mortgage Documents and/or the Bond Documents, as applicable, shall prevail.

14. Confidentiality The provisions of this Commitment and all of the terms and conditions contained herein are confidential and Sponsor shall not share this Commitment, or the terms and conditions contained herein, with any third party; provided however, Sponsor may show this Commitment to the Issuer and to Miami-Dade County in connection with its application for issuance of the Bonds. **This confidentiality provision shall survive the termination or expiration of this Commitment.**

15. Anti Tying Policy. CITI maintains a policy of strict compliance to the anti-tying provisions of the U.S. Bank Holding Company Act of 1956, as amended, and the regulations issued

by the Federal Reserve Board implementing the anti-tying rules (collectively, the "Anti-tying Rules"). Moreover, our credit policies provide that credit must be underwritten in a safe and sound manner and be consistent with Section 23B of the Federal Reserve Act and the requirements of federal law. Consistent with these requirements and our Anti-tying Policy:

a. The extension of commercial loans or other products or services to you by CITI or any of its subsidiaries will not be conditioned on your taking other products or services offered by CITI or any of its subsidiaries or affiliates, unless such a condition is permitted under an exception to the Anti-tying Rules.

b. CITI will not vary the price or other terms of any product or service offered by CITI or its subsidiaries on the condition that you purchase another product or service from CITI or any of its affiliates, unless CITI is authorized to do so under an exception to the Anti-tying Rules.

c. CITI will not require you to provide property or services to CITI or any affiliate of CITI as a condition to the extension of a commercial loan to you by CITI or any of its subsidiaries, unless such a requirement is reasonably required to protect the safety and soundness of the loan.

d. CITI will not require you to refrain from doing business with a competitor of CITI or any of its affiliates as a condition to receiving a commercial loan from CITI or any of its subsidiaries, unless the requirement is reasonably designed to ensure the soundness of the Loan.

[No Further Text on this Page]

If you have any questions relating to this Commitment, or if we can be of any further assistance, please do not hesitate to let us know.

Very truly yours,

CITIBANK, N.A., a national banking association

By: _____

Name: Kathy Millhouse

Title: Vice President

The undersigned hereby accepts the foregoing Commitment and agrees to be bound by the terms, requirements and conditions set forth herein.

Date: 2/4/16

**SPONSOR:**

By: _____

Name: Alberto Milo, Jr

Title: Senior V.P.

**EXHIBIT A**

**COMMITMENT TERMS**

# TERM SHEET

## Multifamily Rental Developments with Rent Restrictions
## New Construction

## Tax-Exempt "Back-to-Back" Loan Structure

**Liberty Square Rising Phase 1A**
**Liberty Square Rising Phase 1B**
**Liberty Square Rising Phase 2**
**Liberty Square Rising Phase 4B**
**Liberty Square Rising Phase 4C**
**Liberty Square Rising Phase 4D**

**February 2, 2016**

NOTE: This Term Sheet constitutes a brief summary of certain, but not all transaction terms and conditions. The summary that follows is subject to final credit approval.

**In connection with this Term Sheet, CITI will be acting solely as a principal and not as your agent, advisor or fiduciary. CITI has not assumed a fiduciary responsibility with respect to this Term Sheet, and nothing in this transaction or in any prior relationship between you and CITI will be deemed to create an advisory, fiduciary or agency relationship between us in respect of this Term Sheet. You should consider carefully whether you would like to engage an independent advisor to represent or otherwise advise you in connection with this Term Sheet, if you have not already done so.**

### A. PRELIMINARY LOAN TERMS

**Deal Structure:**

CITI proposes to fund a tax-exempt construction loan ("Funding Loan") to Miami-Dade Housing Finance Authority or other acceptable housing finance agency (the "Governmental Lender"). The Governmental Lender then loans the proceeds of the Funding Loan directly to the Borrower (the "Borrower Loan").

The Construction Phase is the initial phase during which funds will be advanced to Governmental Lender and loaned to Borrower (directly or through a Trustee, at Governmental Lender's discretion). Payments on the Funding Loan during the Construction Phase will be interest only

**Property:**

Liberty Square Rising Phase 1A – 216 units
Liberty Square Rising Phase 1B – 216 units
Liberty Square Rising Phase 2 – 216 units
Liberty Square Rising Phase 4B – 120 units
Liberty Square Rising Phase 4C – 120 units
Liberty Square Rising Phase 4D – 240 units

**Set-Asides:**

Phase 1A: 51% of the units (111 units) will be for tenants with income at or below 60% of AMI. The remaining units (105 units) will be public housing and covered under an annual contribution contract with HUD.

Phase 1B: 17% of the units (36 units) will be for tenants with income at or below 60% of AMI. The remaining units (180 units) will be public housing and covered under an annual contribution contract with HUD.

Phase 2: 17% of the units (36 units) will be for tenants with income at or below 60% of AMI. The remaining units (180 units) will be public housing and covered under an annual contribution contract with HUD.

Phase 4B: 90% of the units (108 units) will be for tenants with income at or below 60% of AMI. 10% of the units (12 units) will be for tenants with income at or below 50% of AMI.

Phase 4C: 20% of the units (24 units) will be for tenants with income at or below 60% of AMI. The remaining units (96 units) will be for tenants with income at or below 120% of AMI.

Phase 4D: 20% of the units (48 units) will be for tenants with income at or below 60% of AMI. The remaining units (192 units) will be for tenants with income at or below 120% of AMI.

**Borrower:** To be determined.

**Sponsor:** Affiliates of RUDG

**LIHTC Investor/ Syndicator:** If applicable, the Low Income Housing Tax Credit ("LIHTC") Investor / Syndicator, the upper tier investor(s) and, the terms and conditions of the partnership (or operating) agreement, must be acceptable to CITI in all respects including, particularly, as to the timing and conditions to funding capital contributions.

**Guarantor(s):** PRH Investments, LLC and/or other individual(s) or corporate entity acceptable to CITI in all respects. The Guarantor(s)' financial condition(s) must be acceptable to CITI in all respects. Guarantor must maintain a minimum net worth requirement of $10 million and minimum liquidity of $2 million.

**Subordinate Debt:** If applicable, the sources of subordinate debt and the subordinate loan documents must be acceptable to CITI in all respects. All subordinate debt must fund prior to Funding Loan funding unless CITI approves other arrangements.

**Loan Security:** First lien, or assignment thereof, on land and any improvements, UCC filings for fixtures; assignment of all leases and rents; and, a first priority collateral assignment of all contracts, management agreements, and other agreements and all permits relating to the Property. All income and rent restrictions will be subordinate to the CITI security instrument.

**Recourse:** The Funding Loan will be fully recourse to the Borrower and to the Guarantor(s).

**Guarantees, Construction Phase:** Completion and Repayment Guarantees are required from the Borrower and the Guarantor(s).

**Environmental Indemnity:** Borrower and Guarantor(s) will be liable for CITI's standard environmental indemnity.

**Closing:** Closing is subject to full satisfaction of CITI's standard due diligence, underwriting and credit approval processes, and the execution and delivery of all required loan documents, delivery of opinions, payment of fees and other customary requirements.

**Closing Date (est.):** To be Determined

## CONSTRUCTION PHASE

**Est. Construction Phase Loan Amount:** An amount, currently estimated to be:

| | |
|---|---|
| Liberty Square Rising Phase 1A: | $22,500,000 |
| Liberty Square Rising Phase 1B: | $21,000,000 |
| Liberty Square Rising Phase 2: | $22,000,000 |
| Liberty Square Rising Phase 4B: | $12,500,000 |
| Liberty Square Rising Phase 4C: | $16,150,000 |
| Liberty Square Rising Phase 4D: | $34,900,000 |

The loan(s) may not exceed 80% of costs covered through the Construction Phase.

**Construction Phase Term:** Twenty-four months, plus two, 6-month extension options. Fees for the extension are indicated below under "Fees & Expenses".

**Construction Phase Interest Rate:** A variable rate equal to SIFMA plus a spread of 2.50% during the Construction Phase for all Phases. Rate adjusts weekly. Currently, SIFMA is trading at approximately 0.01%. This rate does not include Issuer, Trustee, or misc. 3rd party fees (SIFMA is available at http://www.sifma.org/research/item.aspx?id=19762). Pricing is based on current market conditions and is subject to change.

**Availability:** Funding Loan proceeds will be advanced to Borrower on a "draw down" basis upon receipt of a written request from Borrower, supported by documentation acceptable to CITI. Borrower will be required to submit a loan budget worksheet with each draw request tracking all Property sources and uses of funds. Draw requests are limited to one per month.

**Loan in Balance:** The Funding Loan must remain "in balance" during the Construction Phase. "In balance" means that (1) the funds available during the Construction Phase (from the Funding Loan and all other debt and equity sources) are sufficient to complete the construction or rehabilitation of the Property and all other expenses reasonably expected to be necessary to achieve the conditions for equity and sub-debt funding; and (2) the sources available from equity and sub-debt are sufficient to pay off the Construction Phase Loan Amount.

**Amortization:** None. Payments on the Funding Loan during the Construction Phase will be interest only.

**Prepayment and Yield Maintenance:** Voluntary prepayment of Funding Loan principal amounts during the Construction Phase, including those as a result of a Borrower default, may be made without prepayment fee or penalty.

**Interest Reserve:** Calculated at the Construction Phase Interest Rate noted above, plus a cushion acceptable to CITI at time of final Credit approval. Currently, CITI is underwriting with a cushion of 1.00%. The Interest Reserve will be sized based on an analysis of the projected draw schedule for the Funding Loan during the Construction Phase.

**Budget and Contingencies:** The budget for the Construction Phase, including all budget line items, is subject to CITI approval. The budget shall include a hard cost contingency of no less than 5% of budgeted hard costs for new construction projects or, 10% for renovation projects. The budget shall include a soft cost contingency of no less than 5% of budgeted soft costs, excluding 1) soft costs incurred prior to or in connection with closing; 2) interest reserve and bank fees; 3) capitalized operating reserve deposits and other costs that may be due in connection with Construction Phase Loan pay off/stabilization for which specific sources are identified; and 4) developer fees.

**General Contractor and Bonding Requirements:** The general contractor and the form of construction contract must be acceptable to CITI. CITI will require payment and performance bonds equal to 100% of the construction contract amount. Surety issuing bonds must have an A.M. Best rating of "A/XIV" and must be acceptable to CITI in all other respects. In lieu of bonds, CITI will accept a letter of credit ("LC") equal to 10% of the initial construction contract amount. LC provider must be rated "A" or better.

**Retainage:** Construction contract will provide for retainage of 10% of each construction pay application until 50% completion and the reduced to 5% of each construction pay application until substantial completion of construction is achieved unless other arrangements have been approved by CITI. All retained amounts will be released upon final, lien-free completion of construction, as approved by CITI.

**Appraisal, Environmental, Plan & Cost Evaluation Review:** Appraisal and Plan/Cost Review reports will be commissioned and reviewed by CITI. CITI may rely upon environmental reports commissioned by Borrower if report is current (within 12 months) and CITI has been provided evidence of

acceptable E&O insurance coverage carried by Borrower's environmental consultant and a reliance letter in form acceptable to CITI. Appraisal, environmental condition and plan/cost reviews must be acceptable to CITI in all respects.

**Property Tax Abatements, Incentives:** All documentation related to any tax abatement or tax incentives must be acceptable to CITI in all respects.

**Developer Fee:** Any developer fee paid prior to Construction Phase Loan pay down shall be pre-approved by CITI in its sole discretion.

**Availability of ACCs:** If applicable, prior to closing, CITI must receive from HUD an acceptable commitment to provide the ACC required to operate the public housing units at break-even. In addition, CITI must review and approve anticipated capital funding appropriations connected to the ACCs.

**Public Housing:** Since the seller/landlord of the Property is the Miami-Dade Public Housing and Community Development ("MDPHCD") and since the Property will continue to be operated in accordance with public housing guidelines with operating subsidies coming from HUD to MDPHCD and in turn to the Borrower, Borrower will be required to fund reserves as noted below. In addition, the Regulatory & Operating Agreement ("R&O"), Land Use Restriction Agreement, ACC, and other documents relative to the public housing nature of the Property are subject to CITI's full review and approval.

**ACC Reserve, Operating Reserve:** CITI will require an ACC & Operating Reserve totaling the higher of 1) a minimum of six months of operating expenses or 2) the ACC & Operating Reserve required by the LIHTC equity investor. Changes to the amount of ACC units or other factors related to the ACC units may require additions to the ACC reserve.

**FEES**

**Due Diligence Deposit:** $25,000, per phase, which amount shall be non-refundable and payable upon acceptance of a preliminary application. This fee is applicable toward third party reports, loan underwriting and processing (in the minimum amount of $5,000), and CITI's initial legal fees. Applicant is responsible for the payment of all reasonable costs incurred in connection with the underwriting, processing and/or closing of the Funding Loan (including CITI legal fees).

**Origination Fee:** A non-refundable Origination Fee equal to 1.0% of the Construction Phase Loan Amount (the "Origination Fee") shall be earned in full by CITI upon the closing of the Funding Loan, and is due and payable at that time.

**Construction Phase Extension Fee:** An extension fee equal to 0.25% of the Construction Phase Loan Amount is payable prior to the first, six month extension and an extension fee equal to 0.50% of the Construction Phase Loan Amount is payable prior to the second, six month extension.

| | |
|---|---|
| **CITI Legal Fees (est):** | Estimated fees of CITI's counsel for the initial closing is $65,000 per phase and assumes no significant negotiation over CITI's form documents. A portion of the Application Fee will be applied to initial CITI counsel fees. Applicant agrees to make a supplemental deposit to cover CITI's counsel fees once the drafting of legal documentation commences, if requested. |
| **Course of Construction Inspections (*est*):** | TBD |
| **Other Costs:** | Borrower is responsible for costs of survey, title insurance policy, hazard insurance policy, tax escrow fee and all other normal and customary loan closing expenses. |

This Term Sheet is provided for information purposes and is intended for your use only. Except in those jurisdictions where it is impermissible to make such a statement, CITI hereby informs you that this Term Sheet should not be considered as a solicitation or offer to sell or purchase any securities or other financial products. This Term Sheet does not constitute investment advice and does not purport to identify all risks or material considerations which should be considered when undertaking a transaction. CITI makes no recommendation as to the suitability of any of the products or transactions mentioned. Any trading or investment decisions you take are in reliance on your own analysis and judgment and/or that of your advisors and not in reliance on us.

CITI often acts as (i) a market maker; (ii) an issuer of financial instruments and other products; and (iii) trades as principal in many different financial instruments and other products, and can be expected to perform or seek to perform investment banking and other services for the issuer of such financial instruments or other products. The author of this Term Sheet may have discussed the information contained herein with others within or outside CITI and the author and/or such other CITI personnel may have already acted on the basis of this information (including by trading for CITI's proprietary accounts or communicating the information contained herein to other customers of CITI). CITI, CITI's personnel (including those with whom the author may have consulted in the preparation of this Term Sheet), and other customers of CITI may be long or short the financial instruments or other products referred to in this Term Sheet, may have acquired such positions at prices and market conditions that are no longer available, and may have interests different from or adverse to your interests.

CITI is required to obtain, verify and record certain information that identifies each entity that enters into a formal business relationship with CITI. CITI will ask for your complete name, street address, and taxpayer ID number. CITI may also request corporate formation documents, or other forms of identification, to verify information provided.

Although Citibank, N.A. (together with its subsidiaries and branches worldwide, "Citibank") is an affiliate of CITI, you should be aware that none of the financial instruments or other products mentioned in this term sheet (unless expressly stated otherwise) are (i) insured by the Federal Deposit Insurance Corporation or any other governmental authority, or (ii) deposits or other obligations of, or guaranteed by, Citibank or any other insured depository institution.

**IRS Circular 230 Disclosure**: CITI and its employees are not in the business of providing, and do not provide, tax or legal advice to any taxpayer outside of CITI. Any statements in this term sheet regarding tax matters were not intended or written to be used, and cannot be used or relied upon, by any taxpayer for the purpose of avoiding tax penalties. Any such taxpayer should seek advice based on the taxpayer's particular circumstances from an independent tax advisor.

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**EXHIBIT B**

**Initial Due Diligence/Underwriting Completed**

1. Review of proposed income and expense statements (budget).
2. Review of estimated sources and uses statement.
3. Inspection of proposed site and sub market.
4. Review of CITI's servicing portfolio to determine comparability of rents and expenses
5. Review of financial information of Sponsor, Borrower and principals of each.

Liberty Square RFP — Preliminary Review

| | | | IA | IB | 2 | 4B | 4C | 4D |
|---|---|---|---|---|---|---|---|---|
| | Preliminary NOI | | 801,000 | 381,754 | 381,754 | 377,408 | 1,125,083 | 2,383,224 |
| | Amort | | 35 | 35 | 35 | 35 | 35 | 35 |
| | Assumed Rate | | 4.74% | 4.74% | 4.74% | 4.74% | 4.74% | 4.74% |
| | | | 1.15 | 1.15 | 1.15 | 1.15 | 1.15 | 1.15 |
| | Max Perm Loan | | $11,888,594 | $5,666,065 | $5,666,065 | $5,601,561 | $16,698,696 | $35,372,264 |
| | | TOTAL | | | | | | |
| Request - Perm* | | 78,450,000 | 10,750,000 | 5,650,000 | 5,650,000 | 5,350,000 | 16,150,000 | 34,900,000 |
| Per Unit | | | 49,769 | 26,157 | 26,157 | 44,583 | 134,583 | 145,417 |
| Request - Constr | | 129,050,000 | 22,500,000 | 21,000,000 | 22,000,000 | 12,500,000 | 16,150,000 | 34,900,000 |
| Per Unit | | | 104,167 | 97,222 | 101,852 | 104,167 | 134,583 | 145,417 |
| Total Units | | 1,128 | 216 | 216 | 216 | 120 | 120 | 240 |
| PHA | | 465 | 105 | 180 | 180 | | | |
| 50% | | 84 | | | | 12 | 24 | 48 |
| 60% | | 291 | 111 | 36 | 36 | 108 | | |
| 120% | | 288 | | | | | 96 | 192 |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **Sources:** | | | | | | | | |
| | Tax Credit Equity | $ 20,202,085 | $ 19,806,955 | $ 19,455,019 | $ 11,007,480 | $ 2,218,912 | $ | 3,956,206 |
| | Tax-Exempt Bonds | 10,750,000 | 5,650,000 | 5,650,000 | 5,350,000 | 16,150,000 | | 34,900,000 |
| | Sub Debt | 13,900,000 | 19,867,800 | 18,087,816 | 8,121,100 | 5,400,000 | | 4,700,000 |
| | Def Dev Fee | 746,456 | 864,304 | 840,411 | 562,661 | 1,828,316 | | 1,684,845 |
| | Total | $ 45,598,541 | $ 46,189,059 | $ 44,033,246 | $ 25,041,241 | $ 25,597,228 | $ | 45,241,051 |
| **Uses:** | | | | | | | | |
| | Ground Lease Pmt | $ 540,000 | $ 540,000 | $ 540,000 | $ 300,000 | $ 300,000 | $ | 600,000 |
| | Construction Costs | 26,544,000 | 26,944,000 | 25,544,000 | 14,080,000 | 14,080,000 | | 26,160,000 |
| | GC Fees | 3,716,160 | 3,772,160 | 3,576,160 | 1,971,200 | 1,971,200 | | 3,662,400 |
| | Hard Cost Contngcy | 1,513,008 | 1,535,808 | 1,456,008 | 802,560 | 802,560 | | 1,491,120 |
| | Soft Costs | 6,553,362 | 6,588,158 | 6,436,998 | 4,170,226 | 4,681,303 | | 6,695,835 |
| | Developer Fees | 6,732,011 | 6,808,933 | 6,480,080 | 3,717,255 | 3,762,165 | | 6,631,697 |
| | Total | $ 45,598,541 | $ 46,189,059 | $ 44,033,246 | $ 25,041,241 | $ 25,597,228 | $ | 45,241,051 |

* CITI is only providing construction financing. However, CITI has assumed, for take-out purposes, the parameters noted above for sizing the permanent loans.

# RAYMOND JAMES

February 2, 2016

Mr. Alberto Milo Jr.
Vice President
RUDG, LLC
315 S. Biscayne Blvd.
Miami, FL 33146
(305) 460-9900

Re: Partnership: To be determined Single Purpose Entity, an affiliate of RUDG, LLC
Property Name: Liberty Square Rising - Phase 4C
City/State: Miami, Florida

Dear Mr. Milo:

This letter will confirm our agreement ("Agreement") whereby Raymond James Tax Credit Funds, Inc. ("RJTCF") shall attempt to effect a closing ("Closing") of an investment by a Fund sponsored by RJTCF (the "RJTCF Fund") in the above named partnership ("Partnership") on the assumptions, terms, and conditions contained in this letter, or such other assumptions, terms and conditions as are acceptable to you, RJTCF and the RJTCF Fund.

CURRENT ASSUMPTIONS:

## I. DESCRIPTION OF THE PROJECT AND THE INVESTMENT.

### A. Project:

1. New Construction
2. Units: 120
3. Set-aside Requirements: 24 units at 50% or less of median income and 96 units at 120% or less of median income
4. Rental Assistance: None
5. Management Company: TRG Management Company, LLP
6. General Contractor: Fortune Construction Company, LLP.

### B. Tax Credit Information:

1. Reserved or Allocated Credits: $198,137.
2. Estimated Partnership Annual Credits: $198,137.
3. RJTCF Fund's Share of Partnership Annual Credits: 99.99%
4. Estimated RJTCF Fund Annual Credits: $198,117.
5. Applicable Fraction: 20% with 130% basis boost.
6. Applicable Percentage: 3.21% (floating).
7. First Credit Year: 2021.

C. **Equity Investment:**

1. Estimated $1.12 per dollar of the RJTCF Fund Total Credits ("Credit Price"), subject to market conditions and availability of funds.
2. Estimated RJTCF Fund Total Capital: $2,218,912.
   Note that actual contributions are based on actual credits delivered. If actual RJTCF Fund Total Credits are less than the estimated amount, RJTCF Fund Total Capital will be reduced by the shortfall times the Credit Price. If actual RJTCF Fund Total Credits are greater than the estimated amount ("Excess Credits") and such Excess Credits are not attributable to an additional reservation of Credits, then the RJTCF Fund Total Capital will be increased by an amount equal to the Excess Credits times the Credit Price, but RJTCF Fund Total Capital shall not exceed 105% of the Estimated RJTCF Fund Total Capital except as provided below. The RJTCF Fund will specify the terms, if any, under which it will purchase any Excess Credits attributable to an additional reservation of Credits, and/or those that would otherwise cause capital contributions to exceed 105% of the Estimated Total Capital. If those terms provide for a credit price less than the Credit Price, the General Partners can accept or reject those terms. Any Excess Credits that the RJTCF Fund is unwilling to buy or that the General Partners are unwilling to sell at the price specified by the RJTCF Fund shall be allocated to the General Partners.

3. Installment Payment of Estimated RJTCF Fund Total Capital:
   a. $665,674 (30%) at Closing, of which $50,000.00 shall be paid directly to RJTCF in payment of its due diligence fee
   b. $600,000 (27%) at later of April 1, 2021 or 100% Construction Completion.
   d. $953,238 (43%) at later of July 1, 2021 or Stabilized Operations ("Stabilization Capital Contribution"), of which $100,000 may be held back and paid when all required tax filing information and Forms 8609 are received and audited financials for the year of Breakeven Operations are available.

   All payments will be subject to various deliveries required by the RJTCF Fund as described in the definitive documents, including without limitation, updates of representations and warranties previously given to the RJTCF Fund.

4. Timing Adjusters:
   The capital contribution of the RJTCF Fund shall be reduced by 55% of the shortfall between the Credits actually delivered and the Credits estimated to be delivered in 2021 and 2022. Currently, it is estimated that the Partnership will deliver $183,002 (92.36%) of Credits in 2021 and the maximum annual credit in 2022. The capital contribution of the RJTCF Fund shall be adjusted if and to the extent that the RJTCF Fund is admitted after Credits have begun to run. It is intended that the adjustments and/or payments required by this Section are to compensate the Investor Limited Partner for the delay in the receipt of Tax Credit

and the Lease-Up Adjuster may be reduced if the Investor Limited Partner determines in the exercise of its sole and absolute discretion that the full Lease-Up Adjuster is not required to maintain the expected return on investment of its members.

In the event that the actual Credits with respect to the first Credit Year are more than the Credits projected for such years, then the capital contribution of the RJTCF Fund to the Partnership shall be increased by an amount (the "Upward Timing Adjustment") equal to 35% of such excess; provided, that any such increase is subject to the overall limitation that RJTCF Fund Total Capital cannot exceed 105% of estimated RJTCF Total Capital without RJTCF Fund consent. The Upward Timing Adjustment shall be made and applied to increase the Stabilization Capital Contribution. It is understood and agreed that the Upward Timing Adjustment is intended to address any acceleration in the delivery of the first year of the Credit Period from the projected Credit amounts during such year where the total projected Credits for the entire Credit Period is not affected and that the Upward Timing Adjustment may be decreased if the RJTCF Fund determines in the exercise of its sole and absolute discretion that a smaller Upward Timing Adjustment must be paid in order to maintain the expected return on investment of its investors.

D. **Allocation of Distributions:**

1. Asset Management Fee: The RJTCF Fund shall receive an annual asset management fee of $5,000, increasing at 3.00% per year prior to any cash distributions. The Asset Management Fee shall begin once the Project has been placed in service and shall be prorated for the year that the Project is placed in service. The fee shall be cumulative to the extent unpaid in any year and shall be payable from sale proceeds of the property to the extent not previously paid. The fee must be paid in order for the Partnership to remain Current; thus, if cash flow is not sufficient to pay the fee, it shall be paid from available reserves or from loans made by the General Partner or Guarantors under the Operating Deficit Guaranty.

2. Cash From Operations: Cash available to be distributed after paying Partnership expenses (including the Asset Management Fee), funding the Replacement Reserve, and maintaining working capital reserves. Cash From Operations shall be allocated in the following order:

   a. To the RJTCF Fund to the extent of any amounts owed, including amounts to be paid under Tax Credit Guaranty;
   b. To replenish the Operating Reserve if the balance therein is less than the Operating Reserve Minimum;
   c. To the Developer to pay any unpaid Deferred Development Fee;
   d. To the General Partners or Guarantors to repay any loans due under the Operating Deficit Guaranty;
   e. 89.99% to the General Partners as an incentive management fee;
   f. The balance 0.01% to the General Partners, and 99.99% to the RJTCF Fund.

In all events, the RJTCF Fund must receive at least 10% of the amount available for distributions to partners and payment of incentive management fees to the General Partners. Available cash from operations will be distributed biannually.

3. CashFromSaleorRefinancing: Proceeds available after paying all liabilities and establishing any required reserves shall be allocated in accordance with capital accounts, in the following order:

   a. To the RJTCF Fund to the extent of any amounts owed, including unpaid amounts under Tax Credit Guaranty;
   b. To pay any accrued but unpaid Asset Management Fee;
   c. To the Developer to pay any unpaid Deferred Development Fee;
   d. To the General Partners or Guarantors to repay any loans due under the Operating Deficit Guaranty;
   e. The balance, 90% to the General Partners and 10% to the RJTCF Fund

The distribution of Cash From Sale or Refinancing shall be subject to the requirement of the Internal Revenue Code that liquidating distributions be made in accordance with capital accounts.

E. **Allocations of Profits and Losses:**

1. Operating Profits and Losses: 99.99% RJTCF Fund; 0.01% General Partner.
2. Credits and Depreciation: 99.99% RJTCF Fund; 0.01% General Partner.
3. Gain or Loss on Sale: So as to bring the capital accounts into the ratios that will allow Proceeds of Sale to be distributed 90% to the General Partners and 10% to the RJTCF Fund, to the extent possible given the requirements of the Internal Revenue Code and the Treasury Regulations.
4. Operating Income and Losses Prior to Credit Delivery: At the discretion of the RJTCF Fund, Operating Income and Losses attributable to the period prior to the start of Credit delivery may be specially allocated to the General Partners.

F. **Developer and Development Fee:**

1. Developer: An affiliate of RUDG, LLC
2. Estimated Development Fee: An amount not to exceed the maximum allowable development fee pursuant to FHFC and HUD guidelines.
3. Development Fee pay-ins will be negotiated prior to closing.

   If necessary, part of the development fee, not to exceed $2,000,000, will be deferred beyond the date of the RJTCF Fund's final capital contribution installment, without interest, and shall be paid in accordance with the terms of allocations of Cash From Operations and Cash from Sale or Refinancing or, if not paid within 14 years after placed-in-service date, from General Partners' capital as described below. Any development fee that cannot be paid by the time of the final capital contribution of the RJTCF Fund or deferred in accordance with the foregoing limitation shall be paid as an excess cost under the Completion Guaranty.
4. Development Fee shall be pledged to secure the obligations of the General Partner and the Guarantors.

I. **Obligations of the Guarantors:**

1. Guarantors: The General Partners and PRH Investments, LLC, subject to the approval of RJTCF.

2. Guarantors shall collectively have a minimum net worth of $10,000,000 ($2,000,000 liquid). Distributions from entity guarantors shall be restricted to the extent that any distribution would reduce the net worth of the Guarantors below the prescribed minimums.

3. Guarantors unconditionally guarantee that the General Partners will perform all of their obligations under the partnership agreement, including, without limitation, guaranties, repurchase obligations and the obligation to make a capital contribution as and when required to pay deferred development fee and that the developer will perform all of their obligations under the Development Agreement.

J. **Total Depreciable Basis: $23,740,446.**

1. $21,470,001 (90.44%) - 27.5 year depreciable property
2. $1,702,834 (7.17%) - 15 year depreciable property
3. $567,611 (2.39%) - 5 year depreciable property

K. **INTENTIONALLY DELETED.**

L. **Definitive Documents**

All of the terms and conditions of the investment shall be set forth in definitive documents to be negotiated by the parties including but not limited to an Amended and Restated Operating Agreement, together with certain closing exhibits (including various Guaranty Agreements). Such documents shall be consistent with the terms and conditions set forth in this letter with such changes as the parties may agree are appropriate. Once executed, the definitive documents shall supersede this letter, which shall be of no further force or effect. RJTCF will begin preparation of the definitive documents upon the completion of our due diligence to our satisfaction, as determined in our sole discretion.

II. **INTENTIONALLY DELTED**

III. **THE RJTCF FUND EXIT RIGHTS**

The RJTCF Fund shall have the right to require the General Partners to acquire its interest after the end of the compliance period for a price equal to the amount the RJTCF Fund would receive if the Partnership sold the Project at fair market value, paid its debts and distributed the remaining assets in accordance with the provisions relating to distribution of sales proceeds. If the General Partners fail to acquire the RJTCF Fund's interest, then the RJTCF Fund shall have the right, without the concurrence of the General Partners, to order a sale of the Project.

IV. **OTHER ASSUMPTIONS TO CLOSING**

1. Prior to Closing, there shall have been no changes in tax laws or Treasury pronouncements, or changes in interpretations of existing tax issues that would materially

and adversely affect this investment.

2. In the event an investment in the Partnership requires HUD Previous Participation Certification (HUD Form 2530), the RJTCF Fund and its investor members are willing and able to request and obtain HUD 2530 approval in accordance with the filing requirements promulgated by HUD.
3. RJTCF and the RJTCF Fund's review and approval in its sole discretion of all terms and conditions of the investment, due diligence materials, including the construction and permanent loan commitments, proposed extended use agreement, real estate, plans and specifications, market study (including any additional market studies determined by the RJTCF Fund and the fund to be necessary - at the Partnership's expense), basis for the Credits, operating budgets, construction and lease-up budgets, current financial statements of the General Partners, other guarantors and their affiliates, verification of background information to be provided by the General Partners and their affiliates, and references to be provided by the General Partners.
4. During underwriting and due diligence, RJTCF will review the rental assistance agreement and market conditions, and may in its sole discretion determine that a Rental Assistance Transition Reserve or Rental Assistance Loss Guarantee be required as a requirement of Closing.

## V. TERM

The initial term of this Agreement shall be for a period of 48 months from the date of this letter, with a closing (Closing Date) no later than February 1, 2020 providing that RJTCF may terminate this Agreement by giving at least 10 days written notice if it determines, in the exercise of its sole discretion that the conditions to closing are unlikely to be met. RJTCF may extend the term of this Agreement up to 90 days beyond the initial term and both parties can agree in writing to an extension beyond that date. If due diligence activities and negotiation of definitive documents continue beyond termination of this Agreement, the parties shall not be bound hereunder, but only to the extent provided in definitive documents or other written agreements that are actually executed and delivered.

## VI. EXCLUSIVITY

You acknowledge that the RJTCF Fund will expend significant effort and expense, and may forego other investment opportunities, in connection with its best efforts to effect a Closing. You agree that you will not solicit or entertain any offers by other parties to acquire an equity interest in the Partnership during the Term of this Agreement. You agree to pay the RJTCF Fund up to a maximum of $50,000, for actual 3rd party due diligence costs incurred regardless of whether or not the Investment closes, unless such failure to close was due to RJTCF inability to obtain Investment Committee or Investor approval.

The Partnership must provide at its expense a legal opinion acceptable to RJTCF. If required by an Investor in connection with its admission to the RJTCF Fund subsequent to the Closing of the Investment, such opinion must be updated and reissued at Partnership expense.

## VII. DUE DILIGENCE FEES

At the Closing, the Partnership shall pay $50,000 or greater negotiated amount to the RJTCF Fund for the costs associated with the due diligence process and preparation of Partnership documents and legal opinions. A higher amount may be appropriate, for example, if the RJTCF Fund undertakes significant work to obtain the title policy, close complicated financings, etc. Such additional charges are subject to negotiation and no amount greater than $50,000 will be incurred or due to the RJTCF Fund

from the Partnership without your agreement.

## VIII. INTENTIONALLY DELETED

## IX. CONFIDENTIALITY

This letter is delivered to you with the understanding that neither it nor its substance shall be disclosed to any third party except those who are in a confidential relationship with you, or where the same is required by law. It is understood this letter will be submitted as part of a response to a request for applications and may be made public record.

## X. ACCEPTANCE

If these terms and conditions are acceptable to you, please sign and return one copy of this memorandum. If not accepted by March 1, 2016 this offer shall terminate.

By acceptance of this letter, you authorize Raymond James Tax Credit Funds, Inc. to make any credit inquiries that we may deem necessary as part of our underwriting process. These credit inquiries may be performed on the General Partners, Guarantors, or any significant business operation of General Partners or Guarantors. This authorization also applies to follow-up credit inquiries that we may deem necessary after our admission to the Partnership.

For more than 25 years Raymond James Tax Credit Funds and our affiliates have been involved with the development of affordable housing. We have provided equity for more than 1,200 properties nationwide. We look forward to working with you.

Sincerely,

Darryl Seavey
Managing Director Northeast Region
Raymond James Tax Credit Funds, Inc.

Accepted:

By: _____ General Partner

Date 2/4/16

## SOURCES AND APPLICATIONS OF FUNDS & CALCULATION OF LOW INCOME HOUSING TAX CREDIT

Date: 2/3/2016
Property Name: **Liberty Square Rising 4e**
Location (City/State): **Miami, FL**

Partnership Name: **Partnership Name**
Total # of Units: **120**

| Sources of Funds | | Type | Rate | Fixed? | Term | Amort. Pd | Payments? | Int. Only? | Annual Debt Service |
|---|---|---|---|---|---|---|---|---|---|
| 1st Mortgage Loan | 16,150,000 | bond | 4.74% | Y | 15 | 35 | Y | N | 946,186 |
| 2nd Mortgage Loan | 1,600,000 | home | 0.00% | Y | 30 | 30 | Y | N | Soft Debt |
| 3rd Mortgage Loan | 800,000 | county GOB | 0.00% | 0 | 30 | 30 | Y | N | Soft Debt |
| 4th Mortgage Loan | 3,000,000 | Surtax | 1.00% | 0 | 30 | 30 | Y | Y | 30,000 |
| 5th Mortgage Loan | 0 | 0 | 0.00% | 0 | 30 | 30 | Y | N | 0 |
| 6th Mortgage Loan | 0 | 0 | 0.00% | 0 | 30 | 30 | Y | N | 0 |
| 0 | 0 | | | | | | | | |
| 0 | 0 | | | | | | | | |
| Income from Operations | 0 | | | | | | | | |
| Reserves Used | 0 | | | | | | | | |
| Deferred Fee | 1,828,316 | | | | | | | | |
| General Partners' Capital | 0 | | | | | | | | |
| Raymond James Capital | 2,218,912 | | | | | | | | |
| Total Available Funds | 25,597,228 | | | | | | | | |

**Max Allowed** 0

| Years of Cash Flow | 12 |
|---|---|
| Calculated Max Deferred Fee | |
| 2/3/7 | 3/3/5 |
| 2,938,032 | 4,769,192 |

| | |
|---|---|
| **Development Fee Held Back** | 2,762,165 |
| **Max Deferred Fee** | 1,828,316 |
| **Net Development Fee Held Back** | 933,849 |
| **% of RJ Capital** | 42.09% |

| | State | Federal |
|---|---|---|
| Historic Tax Credit Eligible Basis | 0 | 0 |
| Applicable Percentage | 25% | 20% |
| Cap on State Historic Credits | 0 | |
| Total Historic Credits | 0 | 0 |
| LP Share of HTC | 0.00% | 0.00% |
| Total LP HTC | 0 | 0 |
| Price Per Credit | 0.00 | 0.00 |
| Capital for Historic Credits | 0 | 0 |

| | State | Federal |
|---|---|---|
| Energy Credit Basis | - | 0 |
| Applicable Percentage | 40% | 30% |
| Total Energy Credits | 0 | 0 |
| LP Share of Energy C | 0.00% | 0.00% |
| Total LP Energy Cred | 0 | 0 |
| Price per Credit | 0.00 | 0.00 |
| Capital for Energy Cr | 0 | 0 |

| Application of Funds | | | Tax Cr Eligible Acquisition Basis | Tax Cr Eligible New/Rehab Basis | Non-credit elig. But depreciable | Non-credit elig. Not depreciable | Amortizable Expenses | Total |
|---|---|---|---|---|---|---|---|---|
| | | | | | | 0 | | 0 |
| Land | | 300,000 | | | | 300,000 | | 300,000 |
| Construction Costs | | 16,161,482 | | 16,161,482 | 0 | 0 | | 16,161,482 |
| Site Work | | 0 | | 0 | 0 | 0 | | 0 |
| Personal Property | | 0 | | 0 | 0 | 0 | | 0 |
| Soft Costs | | 3,972,688 | | 3,014,239 | 0 | 798,508 | 159,941 | 3,972,688 |
| Reserves | | 598,333 | | | 0 | 598,333 | | 598,333 |
| Sub-Total Costs | | 21,032,503 | 0 | 19,175,721 | 0 | 1,696,841 | 159,941 | 21,032,503 |
| Development Fee | 17.89% | 3,762,165 | 0 | 3,762,165 | 0 | 0 | | 3,762,165 |
| Contingency Costs | 5.00% | 802,560 | | 802,560 | 0 | 0 | | 802,560 |
| Total Applications of Funds | | 25,597,228 | 0 | 23,740,446 | 0 | 1,696,841 | 159,941 | 25,597,228 |
| | **Depreciable Basis** | | 0 | 23,740,446 | 0 | 23,740,446 | | |

| LOW INCOME HOUSING TAX CREDIT | Federal Credits: Acquisition Basis | Federal Credits: Rehab/New Basis | | State Credits: Rehab/New Basis | |
|---|---|---|---|---|---|
| Eligible Basis | 0 | 23,740,446 | | 23,740,446 | |
| Applicable Fraction | 20% | 20.00% | | 20% | |
| Qualified Basis | 0 | 4,748,089 | | 4,748,089 | |
| Qualified Census Tract Adjustment | 100% | 130% | | 100.0% | |
| Adjusted Qualified Basis | 0 | 6,172,516 | | 4,748,089 | |
| Applicable Percentage | 3.21% | 3.21% | | 0.0% | |
| Calculated Maximum Annual Credit | 0 | 198,138 | 198,138 | 0 | |
| Annual Credit Reserved | 0 | 198,137 | 198,137 | 0 | |
| Lesser of Calculated or Reserved Annual Credit | 0 | 198,137 | 198,137 | 0 | |
| Raymond James's Share of Total Annual Credit | 99.99% | 198,117 | | 0 | 99.99% |
| Raymond James Payment Factor | | 11.2000 | | 0.00 | |
| Total Raymond James Capital Contribution | | 2,218,912 | | 0 | 2,218,912 |

| Reserved per year | 0 |
|---|---|
| Credit Delivery | |
| 2020 | 0 |
| 2021 | 0 |
| 2022 | 0 |
| 2023 | 0 |
| 2024 | 0 |
| 2025 | 0 |
| 2026 | 0 |
| 2027 | 0 |
| 2028 | 0 |
| 2029 | 0 |
| 2030 | 0 |
| 2031 | 0 |
| 2032 | 0 |
| 2033 | 0 |
| Total | 0 |

Are the State Credits Transferrable? N

State Credit Price 0.000
Years of State Credits 10

First Year of Credits 2021

| 1981370 | 0.00% 40 Year Life | 90.44% 27.5 Year Life | 0.00% 20 Year Life | 7.17% 15 Year life | 0.00% 9 Year Life | 2.39% 5 Year life | 0.00% Accelerated Year One | 100.00% Total Depreciation |
|---|---|---|---|---|---|---|---|---|
| | 0 | 21,470,001 | 0 | 1,702,834 | 0 | 567,611 | 0 | 23,740,446 |

**SCHEDULE A**

**DETAILED COST BUDGET** **Liberty Square Rising 4c**

2/3/2016

| COST ITEMS | TOTAL COST | Acquisition ELIGIBLE | New/Rehab ELIGIBLE | NON-ELIGIBLE | DEPRECIABLE | AMORTIZABLE | NON-DEPRECIABLE |
|---|---|---|---|---|---|---|---|
| **Soft Costs** | **$3,972,688** | **$0** | **$3,014,239** | **$958,449** | **$3,014,239** | **$159,941** | **$798,508** |
| Accounting | $50,000 | | $50,000 | | $50,000 | | $0 |
| Appraisal | $7,500 | | $7,500 | | $7,500 | | $0 |
| Architectural Design | $360,000 | | $360,000 | | $360,000 | | $0 |
| Architectural Supervision | $25,000 | | $25,000 | | $25,000 | | $0 |
| Broker Fee/Sales Commission | $0 | | $0 | | $0 | | $0 |
| Construction | $1,529,980 | | $1,230,980 | | $1,230,980 | | $299,000 |
| Construction Loan Fees | $718,480 | | $419,480 | $299,000 | $419,480 | | $299,000 |
| Construction Interest | $500,000 | | $500,000 | | $500,000 | | $0 |
| Construction Monitoring | $311,500 | | $311,500 | | $311,500 | | $0 |
| Taxes during Construction | $0 | | $0 | | $0 | | $0 |
| Cost Certification | $0 | | | $0 | $0 | | $0 |
| Engineering | $0 | | $0 | | $0 | | $0 |
| Impact Fees | $0 | | $0 | | $0 | | $0 |
| Insurance | $164,948 | | $164,948 | | $164,948 | | $0 |
| Legal Fees | $180,000 | | $48,500 | $131,500 | $48,500 | | $131,500 |
| Market Study | $7,500 | | $7,500 | | $7,500 | | $0 |
| Marketing (Rent-up Costs) | $50,000 | | | $50,000 | | | $50,000 |
| Monitoring Fees | $0 | | | $0 | | | $0 |
| Organizational Fees | $0 | | | $0 | | $0 | $0 |
| Permanent Loan Fees | $0 | | | $0 | | $0 | $0 |
| Permits | $140,800 | | $140,800 | | $140,800 | | $0 |
| Phase I Environmental | $10,000 | | $10,000 | | $10,000 | | $0 |
| RJTCF Underwriting Fee | $50,000 | | | $50,000 | | | $50,000 |
| Soft Cost Contingency | $141,606 | | $0 | $26,595 | $115,011 | | $26,595 |
| Soil Tests | $0 | | $0 | | $0 | | $0 |
| Survey | $10,000 | | $10,000 | | $10,000 | | $0 |
| Syndication Costs | $0 | | | $0 | | | $0 |
| Tap Fees | $144,000 | | $144,000 | | $144,000 | | $0 |
| Tax Credit Fees | $159,941 | | | $159,941 | | $159,941 | $0 |
| Tax Opinion | $0 | | | $0 | $0 | | $0 |
| Tenant Relocation | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| Permanent | $0 | | | $0 | | | $0 |
| Temporary | $0 | | $0 | | $0 | | $0 |
| Title and Recording | $105,600 | | $0 | $105,600 | $0 | | $105,600 |
| security | $500,000 | | $500,000 | | $500,000 | | $0 |
| ffe | $200,000 | | $200,000 | | $200,000 | | $0 |
| <Other Eligible Cost> | $0 | | $0 | | $0 | | $0 |
| <Other Non-Eligible Cost> | $0 | | | $0 | | | $0 |
| community relation | $100,000 | | | $100,000 | | | $100,000 |
| escrow | $35,813 | | | $35,813 | | | $35,813 |
| **Acquisition Costs** | **$300,000** | **$0** | **$0** | **$300,000** | **$0** | **$0** | **$300,000** |
| Land | $300,000 | | | $300,000 | | | $300,000 |
| Reserves | $0 | | | $0 | | | $0 |
| Building | $0 | $0 | | | $0 | | $0 |
| **Construction** | **$16,964,042** | **$0** | **$16,964,042** | **$0** | **$16,964,042** | **$0** | **$0** |
| Construction New (On-Site) | $14,080,000 | | $14,080,000 | | $14,080,000 | | $0 |
| Construction Rehab (On-Site) | $0 | | $0 | | $0 | | $0 |
| Construction (Off-Site) | $0 | | | $0 | | | $0 |
| Construction Contingency | $802,560 | | $802,560 | | $802,560 | | $0 |
| Demolition | $0 | | | $0 | | | $0 |
| Letter of Credit/Performance Bond | $110,282 | | $110,282 | | $110,282 | | $0 |
| General Contractor Overhead | $844,800 | | $844,800 | | $844,800 | | $0 |
| General Contractor Profit | $844,800 | | $844,800 | | $844,800 | | $0 |
| General Requirements | $281,600 | | $281,600 | | $281,600 | | $0 |
| **Site Work** | **$0** | **$0** | **$0** | **$0** | **$0** | **$0** | **$0** |
| Earth work | $0 | | $0 | | $0 | | $0 |
| On-site Utilities | $0 | | $0 | | $0 | | $0 |
| Roads & Walks | $0 | | $0 | | $0 | | $0 |
| On-site Improvements | $0 | | $0 | | $0 | | $0 |
| Lawns & Plantings | $0 | | $0 | | $0 | | $0 |
| TAM Costs | $0 | | | $0 | | | $0 |
| Site Work (27.5 year) | $0 | | $0 | | $0 | | $0 |
| <Other Non-Eligible> | $0 | | | $0 | $0 | | $0 |
| <Other Eligible Cost> | $0 | | $0 | | $0 | | $0 |
| <Other Eligible Cost> | $0 | | $0 | | $0 | | $0 |
| **Personal Property** | **$0** | **$0** | **$0** | **$0** | **$0** | **$0** | **$0** |
| Resilient Flooring | $0 | | $0 | | $0 | | $0 |
| Equipment/Specialties | $0 | | $0 | | $0 | | $0 |
| Appliances | $0 | | $0 | | $0 | | $0 |
| Blinds/Shades/Artwork | $0 | | $0 | | $0 | | $0 |
| Carpeting | $0 | | $0 | | $0 | | $0 |
| Energy Basis | $0 | | $0 | | $0 | | $0 |
| <Other> | $0 | | $0 | | $0 | | $0 |
| **Developer Costs** | **$3,762,165** | **$0** | **$3,762,165** | **$0** | **$3,762,165** | **$0** | **$0** |
| Developer Fee | $3,762,165 | $0 | $3,762,165 | | $3,762,165 | | $0 |
| Developer Overhead | $0 | $0 | $0 | | $0 | | $0 |
| **Reserves** | **$598,333** | | | **$598,333** | | | **$598,333** |
| Y Operating Reserve | $462,333 | | | $462,333 | | | $462,333 |
| Y Lease-up Reserve | $100,000 | | | $100,000 | | | $100,000 |
| Y Partnership Rental Assistance Reserve | $0 | | | $0 | | | $0 |
| N Syndicator Reserve | $0 | | | $0 | | | $0 |
| Y Replacement Reserve | $36,000 | | | $36,000 | | | $36,000 |
| Y Working Capital Reserve | $0 | | | $0 | | | $0 |
| **TOTAL PROJECT COST** | **$25,597,228** | **$0** | **$23,740,446** | **$1,856,782** | **$23,740,446** | **$159,941** | **$1,696,841** |
| Check | | OK | | | OK | | |
| | 0 | | 0 | | | | |

SCHEDULE C

**PROJECT OPERATIONS ANALYSIS**

**Date:** 2/3/2016
**Property Name:** Liberty Square Rising 4c
**City / State:** Miami, FL
**Total Units:** 120

| | | | Per Month | Developer Estimates | Developer Per Unit | 2012 RJTCF Total Average | 2012 RJTCF Developer Average | 2012 RJTCF State/Regional Avg. |
|---|---|---|---|---|---|---|---|---|
| **Potential Unit Rental Income** | | 2,113,776 | 176,148 | | | | | |
| **LESS: Vacancy Allowance** | 6.00% | -126,827 | | | | | | |
| **Effective Unit Rental Income** | | **1,986,949** | **165,579** | | | | | |
| **Potential Commercial Income** | | **0** | **0** | | | | | |
| **LESS: Vacancy Allowance** | 7% | 0 | | | | | | |
| **Effective Commercial Income** | | **0** | **0** | | | | | |
| | | | **Per Unit** | | | | | |
| **Potential Garage Rental Income** | | 0 | 0 | 0 | 0 | 2012 RJTCF Total Average | 2012 RJTCF Developer Average | 2012 RJTCF State/Regional Avg. |
| **Laundry Income** | | 0 | 0 | 0 | 0 | | | |
| **Cable Income** | | 0 | 0 | 0 | 0 | | | |
| **Other Income** | | 12,000 | 100 | 0 | 0 | | | |
| **IRP** | | 0 | 0 | 0 | 0 | | | |
| **Total Other Income** | | **12,000** | **100** | **0** | **0** | 167 | 0 | 0 |
| | | | **Per Month** | | | | | |
| **EFFECTIVE GROSS INCOME (ALL SOURCES)** | | **1,998,949** | **166,579** | **1,986,949** | | | | |

| | | Raymond James Estimates | Raymond James Per Unit | | | 2012 RJTCF Total Average | 2012 RJTCF Developer Average | 2012 RJTCF State/Regional Avg. |
|---|---|---|---|---|---|---|---|---|
| **Payroll & Related Expenses-Office/Admin Only** | | 168,000 | 1,400 | 0 | 0 | 502 | 0 | 0 |
| **Maintenance/Repairs/Pest Control/Maint. Payroll** | | 78,000 | 650 | 0 | 0 | 1,062 | 0 | 0 |
| **Other Operating Expenses/Office Exp./Advertising** | | 184,000 | 1,533 | 0 | 0 | 554 | 0 | 0 |
| **Accounting/Auditing** | | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Other Professional (Legal)** | | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Miscellaneous Taxes and Licenses** | | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Security** | | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Miscellaneous/Other** | | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **OPERATING COST SUBTOTAL** | | **430,000** | **3,583** | **0** | **0** | 2,118 | 0 | 0 |
| **Management Fee** | 6.0% | 119,894 | 999 | 0 | 0 | 463 | 0 | 0 |
| **Real Estate Taxes** | | 143,253 | 1,194 | 0 | 0 | 455 | 0 | 0 |
| **Utilities - Project Paid Only** | | 72,000 | 600 | 0 | 0 | 609 | 0 | 0 |
| **Insurance - Property** | | 72,000 | 600 | 0 | 0 | 264 | 0 | 0 |
| **SUBTOTAL** | | 407,147 | 3,393 | 0 | 0 | 1,791 | 0 | 0 |
| **TOTAL OPERATING EXPENSE** | | **837,147** | **6,976** | **0** | **0** | 3,909 | 0 | 0 |

| Annual Increase | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | **Transfer to Operating Reserves** | | 0 | 0 | 0 | 0 | | |
| 3.00% | **Transfer to Replacement Reserves** | | 36,000 | 300 | 0 | 0 | | |
| | **Total Operating Expense & Reserves** | | **873,147** | **7,276** | **0** | **0** | | |
| | **NET OPERATING INCOME** | | **1,125,802** | **9,382** | **1,986,949** | **16,558** | | |
| | **Annual Debt Service - 1st Mtg.** | 946,186 | | | | | | |
| | **Annual Debt Service - 2nd Mtg.** | Soft Debt | | | | | | |
| | **Annual Debt Service - 3rd Mtg.** | Soft Debt | | | | | | |
| | **Annual Debt Service - 4th Mtg.** | 30,000 | | | | | | |
| | **Annual Debt Service - 5th Mtg.** | 0 | | | | | | |
| | **Annual Debt Service - 6th Mtg.** | 0 | | | | | | |
| | | | 976,186 | | 976,186 | | | |
| | **BUDGETED CASH FLOW** | | **149,616** | | **1,010,763** | | | |
| | **DEBT COVERAGE RATIO** | | **1.15** | | **2.04** | | | |

| Type | Amount | Rate | Term | Amort. Pd | Payments? | Interest Only? |
|---|---|---|---|---|---|---|
| bond | 16,150,000 | 4.74% | 15 | 35 | Y | N |
| home | 1,600,000 | 0.00% | 30 | 30 | Y | N |
| county GOB | 800,000 | 0.00% | 30 | 30 | Y | N |
| Surtax | 3,000,000 | 1.00% | 30 | 30 | Y | Y |
| 0 | 0 | 0.00% | 30 | 30 | Y | N |
| 0 | 0 | 0.00% | 30 | 30 | Y | N |

| | | | surplus/shortfall |
|---|---|---|---|
| Monthly Gross Rental Income at | 1.15 | 175,865 | 283 |
| Monthly Eff. Gross Income at | 1.15 | 166,313 | 266 |

| | |
|---|---|
| Deferred Developer Fee | 1,828,316 |
| Monthly Operating Expenses + Reserves + Debt Service | 154,111 |

| | | |
|---|---|---|
| Breakeven Occupancy: | | 87.00% |
| Working Capital Required: | $ | 226,667 |

**SCHEDULE E**

Pillar

PILLAR MULTIFAMILY
AN AFFILIATE OF GUGGENHEIM PARTNERS
330 Madison Avenue
NEW YORK, NEW YORK 10017
PILLARFINANCE.COM

February 4, 2016

Mr. Tony Del Pozzo
Mr. Albert Milo
RUDG, LLC
315 S. Biscayne Blvd. – 4th Floor
Miami, FL 33131

Re: Liberty Square Rising (the "Property"), 1,488 units
Miami, FL

Gentlemen:

Based on our review and analysis of the information you have supplied, we are pleased to provide the following permanent financing commitment for your proposed Liberty Square Rising development located in Miami-Dade County, Florida.

| | |
|---|---|
| Borrower/Applicant: | Affiliate of RUDG, LLC or such other entity acceptable to Lender. |
| Manager: | Affiliate of RUDG, LLC or such other entity acceptable to Lender. |
| Developer: | Affiliate of RUDG, LLC or such other entity acceptable to Lender. |
| Guarantor: | PRH Investments LLC or such other entity acceptable to Lender. |
| Loan / Purpose: | Permanent financing to each phase of the Project in the below amounts, subject to final underwriting: |

| Phase | Permanent Loan Amount |
|---|---|
| Liberty Square - Phase 1A Lincoln Gardens | $10,750,000 |
| Liberty Square - Phase 1B | $5,650,000 |
| Liberty Square - Phase 2 | $5,650,000 |
| Liberty Square - Phase 3A | $5,750,000 |
| Liberty Square - Phase 3B | $4,000,000 |
| Liberty Square - Phase 4B | $5,350,000 |
| Liberty Square - Phase 4C | $16,150,000 |
| Liberty Square - Phase 4D | $34,900,000 |
| | $88,200,000 |

| | |
|---|---|
| Term: | 17 Years (2 year unfunded forward commitment followed by 15 year term) |
| Interest Rate: | The interest rate on the Loan (the "Interest Rate") is estimated to be 4.74%. which rate assumes that the yield on the 10-Year Treasury at the time of rate lock is 2.00%. The Interest Rate is an estimate and |

| | |
|---|---|
| | components of the Interest Rate adjust daily and are subject to overall fluctuations in the capital markets. |
| Commitment Fee: | 1.0% of the loan amount |
| Collateral: | First mortgage; other typical pledges and assignments. |
| Guarantee: | Non-recourse to the Borrower and Guarantors, with standard carve-outs (the carve outs include, without limitation, delivery assurance, guarantees against fraud, misrepresentation, environmental and waste). |
| Loan to Value: | 90% |
| Minimum DSCR: | 1.15x based on the actual Interest Rate determined at Rate Lock. |
| Amortization Period: | 35 Years |
| Subordinate Financing: | Subordinate Financing will be permitted subject to Pillar's approval. |
| Additional: | Any real estate tax PILOT or exemption is subject to full and final due diligence and must be structured in accordance with all Pillar and applicable Agency guidelines. |
| Lending Program: | Freddie Mac or Fannie Mae |

This commitment is contingent upon credit approval and completion of the underwriting and due diligence process, including without limitation receipt of appraisals, environmental reports, Lender engineer's reports and all final budgets and operating pro forma, all satisfactory to Lender in its sole and absolute discretion. We reserve the right to modify and/or add to any terms described in this letter following receipt and review of due diligence materials. The foregoing is intended to summarize the structure and basic terms and conditions (subject to modification upon completion of due diligence by Lender) upon which Lender may provide the financing described herein and is not an inclusive statement of all provisions, documents or requirements of a closing. This commitment shall be null and void and of no further effect if not executed and returned on or before February 22, 2016.

Sincerely,
PILLAR MULTIFAMILY, LLC

By: _____
Paul Sherrington
Authorized Signatory

By the execution below, the undersigned Applicant acknowledges and agrees to the foregoing terms and conditions of this Application.

Agreed To and Accepted:

By: _____

Date: 2/4/16

Pillar

**Liberty Square - Phase 1A**

**Preliminary Loan Sizing**

| | |
|---|---|
| # Units | 216 |
| Loan Amount | $ 10,750,000 |
| | |
| 10-yr Treasury Rate (assumed at closing) | 2.00% |
| Spread (assumed at closing) | 2.74% |
| Total Rate (assumed at closing) | 4.74% |

| INCOME | Loan Sizing | | |
|---|---|---|---|
| | Amount | % | $/Unit |
| Gross Potential Rent | $2,144,993 | 100.0% | $9,931 |
| Vacancy | -$93,240 | -7.2% | ($432) |
| Bad Debt/Collection Loss | $0 | 0.0% | $0 |
| Concessions | $0 | 0.0% | $0 |
| Baseline Adjustment (PHA Asset Mgmt fee) | -$30,629 | -1.5% | ($142) |
| Net Rental Income | $2,021,124 | 100.0% | $9,357 |
| | | | |
| Commercial Income | $0 | 0.0% | $0 |
| Commercial Vacancy | $0 | 0.0% | $0 |
| Net Commercial Income | $0 | 0.0% | $0 |
| | | | |
| Laundry/Vending | $0 | 0.0% | $0 |
| Parking | $0 | 0.0% | $0 |
| Other Income | $21,600 | 1.1% | $100 |
| Effective Gross Income | $2,042,724 | 101.1% | $9,457 |
| | | | |
| Real Estate Taxes | $144,145 | 7.1% | $667 |
| Property Insurance | $129,600 | 6.4% | $600 |
| Utilities | $129,600 | 6.4% | $600 |
| Repairs and Maintenance | $216,000 | 10.7% | $1,000 |
| Management Fee | $122,563 | 6.0% | $567 |
| Payroll and Benefits | $259,200 | 12.8% | $1,200 |
| Marketing | $21,600 | 1.1% | $100 |
| Professional Fees | $21,600 | 1.1% | $100 |
| General and Administrative | $32,400 | 1.6% | $150 |
| Other Expenses | $100,000 | 4.9% | $463 |
| Ground Rent | $0 | 0.0% | $0 |
| Total Expenses | $1,176,708 | 58.2% | $5,448 |
| | | | |
| Net Operating Income | $866,016 | 42.8% | $4,009 |
| | | | |
| Capital Reserve | $64,800 | 3.2% | $300 |
| Extraordinary Capital Items | $0 | 0.0% | $0 |
| Total Capital Expenses | $64,800 | 3.2% | $300 |
| | | | |
| Total Expenses Incl Cap'l Expenses | $1,241,508 | 60.8% | $5,748 |
| | | | |
| Net Cash Flow (NOI w/Cap'l Expenses) | $801,216 | 39.2% | $3,709 |

| | |
|---|---|
| First Mortgage Debt Service | 629,614 |
| First Mortgage DSCR | 1.27 |
| CFFP DS | 64,000 |
| Total DSCR | 1.15 |

Pillar

**Liberty Square - Phase 1B**

**Preliminary Loan Sizing**

| | | |
|---|---|---|
| # Units | | 216 |
| Loan Amount | $ | 5,650,000 |
| | | |
| 10-yr Treasury Rate (assumed at closing) | | 2.00% |
| Spread (assumed at closing) | | 2.74% |
| Total Rate (assumed at closing) | | 4.74% |

| INCOME | Loan Sizing | | |
|---|---|---|---|
| | Amount | % | $/Unit |
| Gross Potential Rent | $1,653,113 | 100.0% | $7,653 |
| Vacancy | -$37,474 | 2.3% | ($173) |
| Bad Debt/Collection Loss | $0 | 0.0% | $0 |
| Concessions | $0 | 0.0% | $0 |
| Baseline Adjustment (PHA Asset Mgmt Fee) | -$52,507 | -3.4% | ($243) |
| Net Rental Income | $1,563,132 | 100.0% | $7,237 |
| | | | |
| Commercial Income | $0 | 0.0% | $0 |
| Commercial Vacancy | $0 | 0.0% | $0 |
| Net Commercial Income | $0 | 0.0% | $0 |
| | | | |
| Laundry/Vending | $0 | 0.0% | $0 |
| Parking | $0 | 0.0% | $0 |
| Other Income | $21,600 | 1.4% | $100 |
| Effective Gross Income | $1,584,732 | 101.4% | $7,337 |
| | | | |
| Real Estate Taxes | $89,894 | 5.8% | $416 |
| Property Insurance | $129,600 | 8.3% | $600 |
| Utilities | $129,600 | 8.3% | $600 |
| Repairs and Maintenance | $216,000 | 13.8% | $1,000 |
| Management Fee | $95,084 | 6.0% | $440 |
| Payroll and Benefits | $302,400 | 19.3% | $1,400 |
| Marketing | $21,600 | 1.4% | $100 |
| Professional Fees | $21,600 | 1.4% | $100 |
| General and Administrative | $32,400 | 2.1% | $150 |
| Other Expenses (Resident Services) | $100,000 | 6.4% | $463 |
| Ground Rent | $0 | 0.0% | $0 |
| Total Expenses | $1,138,178 | 72.8% | $5,269 |
| | | | |
| Net Operating Income | $446,554 | 28.6% | $2,067 |
| | | | |
| Capital Reserve | $64,800 | 4.1% | $300 |
| Extraordinary Capital Items | $0 | 0.0% | $0 |
| Total Capital Expenses | $64,800 | 4.1% | $300 |
| | | | |
| Total Expenses Incl Cap'l Expenses | $1,202,978 | 75.9% | $5,569 |
| | | | |
| Net Cash Flow (NOI w/Cap'l Expenses) | $381,754 | 24.1% | $1,767 |
| | | | |
| Debt Service | 331,019 | | |
| Actual Debt Service Coverage | 1.15 | | |

Pillar

**Liberty Square - Phase 2**

**Preliminary Loan Sizing**

| | | |
|---|---|---|
| # Units | | 216 |
| Loan Amount | $ | 5,650,000 |
| | | |
| 10-yr Treasury Rate (assumed at closing) | | 2.00% |
| Spread (assumed at closing) | | 2.74% |
| Total Rate (assumed at closing) | | 4.74% |

| INCOME | Loan Sizing | | |
|---|---|---|---|
| | Amount | % | $/Unit |
| Gross Potential Rent | $1,853,113 | 100.0% | $7,653 |
| Vacancy | -$37,474 | 2.3% | ($173) |
| Bad Debt/Collection Loss | $0 | 0.0% | $0 |
| Concessions | $0 | 0.0% | $0 |
| Baseline Adjustment (PHA Asset Mgmt Fee) | -$52,507 | -3.4% | ($243) |
| Net Rental Income | $1,563,132 | 100.0% | $7,237 |
| | | | |
| Commercial Income | $0 | 0.0% | $0 |
| Commercial Vacancy | $0 | 0.0% | $0 |
| Net Commercial Income | $0 | 0.0% | $0 |
| | | | |
| Laundry/Vending | $0 | 0.0% | $0 |
| Parking | $0 | 0.0% | $0 |
| Other Income | $21,600 | 1.4% | $100 |
| Effective Gross Income | $1,584,732 | 101.4% | $7,337 |
| | | | |
| Real Estate Taxes | $89,894 | 5.8% | $416 |
| Property Insurance | $129,600 | 8.3% | $600 |
| Utilities | $129,600 | 8.3% | $600 |
| Repairs and Maintenance | $216,000 | 13.8% | $1,000 |
| Management Fee | $95,084 | 6.0% | $440 |
| Payroll and Benefits | $302,400 | 19.3% | $1,400 |
| Marketing | $21,600 | 1.4% | $100 |
| Professional Fees | $21,600 | 1.4% | $100 |
| General and Administrative | $32,400 | 2.1% | $150 |
| Other Expenses (Resident Services) | $100,000 | 6.4% | $463 |
| Ground Rent | $0 | 0.0% | $0 |
| Total Expenses | $1,138,178 | 72.8% | $5,269 |
| | | | |
| Net Operating Income | $446,554 | 28.6% | $2,067 |
| | | | |
| Capital Reserve | $64,800 | 4.1% | $300 |
| Extraordinary Capital Items | $0 | 0.0% | $0 |
| Total Capital Expenses | $64,800 | 4.1% | $300 |
| | | | |
| Total Expenses Incl Cap'l Expenses | $1,202,978 | 75.9% | $5,569 |
| | | | |
| Net Cash Flow (NOI w/Cap'l Expenses) | $381,754 | 24.1% | $1,767 |
| | | | |
| Debt Service | 331,019 | | |
| Actual Debt Service Coverage | 1.15 | | |

Pillar

**Liberty Square - Phase 3A**

**Preliminary Loan Sizing**

| | |
|---|---|
| # Units | 216 |
| Loan Amount | $ 5,750,000 |
| | |
| 10-yr Treasury Rate (assumed at closing) | 2.00% |
| Spread (assumed at closing) | 2.74% |
| Total Rate (assumed at closing) | 4.74% |

| INCOME | Loan Sizing | | |
|---|---|---|---|
| | Amount | % | $/Unit |
| Gross Potential Rent | $1,665,121 | 100.0% | $7,709 |
| Vacancy | -$39,595 | 2.4% | ($183) |
| Bad Debt/Collection Loss | $0 | 0.0% | $0 |
| Concessions | $0 | 0.0% | $0 |
| Baseline Adjustment (PHA Asset Mgmt Fee) | -$51,341 | -3.3% | ($238) |
| Net Rental Income | $1,574,185 | 100.0% | $7,288 |
| | | | |
| Commercial Income | $0 | 0.0% | $0 |
| Commercial Vacancy | $0 | 0.0% | $0 |
| Net Commercial Income | $0 | 0.0% | $0 |
| | | | |
| Laundry/Vending | $0 | 0.0% | $0 |
| Parking | $0 | 0.0% | $0 |
| Other Income | $21,600 | 1.4% | $100 |
| Effective Gross Income | $1,595,785 | 101.4% | $7,388 |
| | | | |
| Real Estate Taxes | $91,874 | 5.8% | $425 |
| Property Insurance | $129,600 | 8.2% | $600 |
| Utilities | $129,600 | 8.2% | $600 |
| Repairs and Maintenance | $216,000 | 13.7% | $1,000 |
| Management Fee | $95,747 | 6.0% | $443 |
| Payroll and Benefits | $302,400 | 19.2% | $1,400 |
| Marketing | $21,600 | 1.4% | $100 |
| Professional Fees | $21,600 | 1.4% | $100 |
| General and Administrative | $32,400 | 2.1% | $150 |
| Other Expenses (Resident Services) | $100,000 | 6.4% | $463 |
| Ground Rent | $0 | 0.0% | $0 |
| Total Expenses | $1,140,821 | 72.5% | $5,282 |
| | | | |
| Net Operating Income | $454,964 | 28.9% | $2,106 |
| | | | |
| Capital Reserve | $64,800 | 4.1% | $300 |
| Extraordinary Capital Items | $0 | 0.0% | $0 |
| Total Capital Expenses | $64,800 | 4.1% | $300 |
| | | | |
| Total Expenses Incl Cap'l Expenses | $1,205,621 | 76.6% | $5,582 |
| | | | |
| Net Cash Flow (NOI w/Cap'l Expenses) | $390,164 | 24.4% | $1,806 |
| | | | |
| Debt Service | 336,678 | | |
| Actual Debt Service Coverage | 1.16 | | |

Pillar

**Liberty Square - Phase 3B**

**Preliminary Loan Sizing**

| | | |
|---|---|---|
| # Units | | 144 |
| Loan Amount | $ | 4,000,000 |
| | | |
| 10-yr Treasury Rate (assumed at closing) | | 2.00% |
| Spread (assumed at closing) | | 2.74% |
| Total Rate (assumed at closing) | | 4.74% |

| INCOME | Loan Sizing | | |
|---|---|---|---|
| | Amount | % | $/Unit |
| Gross Potential Rent | $1,150,108 | 100.0% | $7,987 |
| Vacancy | -$33,465 | 2.9% | ($232) |
| Bad Debt/Collection Loss | $0 | 0.0% | $0 |
| Concessions | $0 | 0.0% | $0 |
| Baseline Adjustment (PHA Asset Mgmt Fee) | -$30,338 | -2.6% | ($211) |
| Net Rental Income | $1,086,305 | 100.0% | $7,544 |
| | | | |
| Commercial Income | $0 | 0.0% | $0 |
| Commercial Vacancy | $0 | 0.0% | $0 |
| Net Commercial Income | $0 | 0.0% | $0 |
| | | | |
| Laundry/Vending | $0 | 0.0% | $0 |
| Parking | $0 | 0.0% | $0 |
| Other Income | $14,400 | 1.3% | $100 |
| Effective Gross Income | $1,100,705 | 101.3% | $7,644 |
| | | | |
| Real Estate Taxes | $68,169 | 6.3% | $473 |
| Property Insurance | $86,400 | 8.0% | $600 |
| Utilities | $86,400 | 8.0% | $600 |
| Repairs and Maintenance | $144,000 | 13.3% | $1,000 |
| Management Fee | $66,042 | 6.0% | $459 |
| Payroll and Benefits | $201,600 | 18.6% | $1,400 |
| Marketing | $14,400 | 1.3% | $100 |
| Professional Fees | $14,400 | 1.3% | $100 |
| General and Administrative | $21,600 | 2.0% | $150 |
| Other Expenses (Resident Services) | $65,000 | 6.0% | $451 |
| Ground Rent | $0 | 0.0% | $0 |
| Total Expenses | $768,011 | 70.7% | $5,333 |
| | | | |
| Net Operating Income | $332,694 | 30.6% | $2,310 |
| | | | |
| Capital Reserve | $43,200 | 3.9% | $300 |
| Extraordinary Capital Items | $0 | 0.0% | $0 |
| Total Capital Expenses | $43,200 | 3.9% | $300 |
| | | | |
| Total Expenses Incl Cap'l Expenses | $811,211 | 73.7% | $5,633 |
| | | | |
| Net Cash Flow (NOI w/Cap'l Expenses) | $289,494 | 26.3% | $2,010 |

| | |
|---|---|
| First Mortgage Debt Service | 234,360 |
| First Mortgage DSCR | 1.24 |
| Surtax DS | 16,000 |
| Total DSCR | 1.16 |

Pillar

**Liberty Square - Phase 4B**

**Preliminary Loan Sizing**

| | | |
|---|---|---|
| # Units | | 120 |
| Loan Amount | $ | 5,350,000 |
| | | |
| 10-yr Treasury Rate (assumed at closing) | | 2.00% |
| Spread (assumed at closing) | | 2.74% |
| Total Rate (assumed at closing) | | 4.74% |

| INCOME | Loan Sizing | | |
|---|---|---|---|
| | Amount | % | $/Unit |
| Gross Potential Rent | $1,048,896 | 100.0% | $8,741 |
| Vacancy | -$63,654 | 6.1% | ($530) |
| Bad Debt/Collection Loss | $0 | 0.0% | $0 |
| Concessions | $0 | 0.0% | $0 |
| Baseline Adjustment (PHA Asset Mgmt Fee) | $0 | 0.0% | $0 |
| Net Rental Income | $985,242 | 100.0% | $8,210 |
| | | | |
| Commercial Income | $0 | 0.0% | $0 |
| Commercial Vacancy | $0 | 0.0% | $0 |
| Net Commercial Income | $0 | 0.0% | $0 |
| | | | |
| Laundry/Vending | $0 | 0.0% | $0 |
| Parking | $0 | 0.0% | $0 |
| Other Income | $12,000 | 1.2% | $100 |
| Effective Gross Income | $997,242 | 101.2% | $8,310 |
| | | | |
| Real Estate Taxes | $0 | 0.0% | $0 |
| Property Insurance | $72,000 | 7.3% | $600 |
| Utilities | $72,000 | 7.3% | $600 |
| Repairs and Maintenance | $120,000 | 12.2% | $1,000 |
| Management Fee | $59,835 | 6.0% | $499 |
| Payroll and Benefits | $168,000 | 17.1% | $1,400 |
| Marketing | $12,000 | 1.2% | $100 |
| Professional Fees | $12,000 | 1.2% | $100 |
| General and Administrative | $18,000 | 1.8% | $150 |
| Other Expenses (Resident Services) | $50,000 | 5.1% | $417 |
| Ground Rent | $0 | 0.0% | $0 |
| Total Expenses | $583,835 | 59.3% | $4,865 |
| | | | |
| Net Operating Income | $413,407 | 42.0% | $3,445 |
| | | | |
| Capital Reserve | $36,000 | 3.6% | $300 |
| Extraordinary Capital Items | $0 | 0.0% | $0 |
| Total Capital Expenses | $36,000 | 3.6% | $300 |
| | | | |
| Total Expenses Incl Cap'l Expenses | $619,835 | 62.2% | $5,165 |
| | | | |
| Net Cash Flow (NOI w/Cap'l Expenses) | $377,407 | 37.8% | $3,145 |

| | |
|---|---|
| First Mortgage Debt Service | 313,443 |
| First Mortgage DSCR | 1.20 |
| Surtax DS | 13,000 |
| Total DSCR | 1.16 |

Pillar

**Liberty Square - Phase 4C**

**Preliminary Loan Sizing**

| | |
|---|---|
| # Units | 120 |
| Loan Amount | $ 16,150,000 |
| | |
| 10-yr Treasury Rate (assumed at closing) | 2.00% |
| Spread (assumed at closing) | 2.74% |
| Total Rate (assumed at closing) | 4.74% |

| INCOME | Loan Sizing | | |
|---|---|---|---|
| | Amount | % | $/Unit |
| Gross Potential Rent | $2,113,776 | 100.0% | $17,615 |
| Vacancy | -$127,547 | 6.0% | ($1,063) |
| Bad Debt/Collection Loss | $0 | 0.0% | $0 |
| Concessions | $0 | 0.0% | $0 |
| Baseline Adjustment (PHA Asset Mgmt Fee) | $0 | 0.0% | $0 |
| Net Rental Income | $1,986,229 | 100.0% | $16,552 |
| | | | |
| Commercial Income | $0 | 0.0% | $0 |
| Commercial Vacancy | $0 | 0.0% | $0 |
| Net Commercial Income | $0 | 0.0% | $0 |
| | | | |
| Laundry/Vending | $0 | 0.0% | $0 |
| Parking | $0 | 0.0% | $0 |
| Other Income | $12,000 | 0.6% | $100 |
| Effective Gross Income | $1,998,229 | 100.6% | $16,652 |
| | | | |
| Real Estate Taxes | $143,253 | 7.2% | $1,194 |
| Property Insurance | $72,000 | 3.6% | $600 |
| Utilities | $72,000 | 3.6% | $600 |
| Repairs and Maintenance | $120,000 | 6.0% | $1,000 |
| Management Fee | $119,894 | 6.0% | $999 |
| Payroll and Benefits | $168,000 | 8.5% | $1,400 |
| Marketing | $12,000 | 0.6% | $100 |
| Professional Fees | $12,000 | 0.6% | $100 |
| General and Administrative | $18,000 | 0.9% | $150 |
| Other Expenses (Resident Services) | $100,000 | 5.0% | $833 |
| Ground Rent | $0 | 0.0% | $0 |
| Total Expenses | $837,147 | 42.1% | $6,976 |
| | | | |
| Net Operating Income | $1,161,082 | 58.5% | $9,676 |
| | | | |
| Capital Reserve | $36,000 | 1.8% | $300 |
| Extraordinary Capital Items | $0 | 0.0% | $0 |
| Total Capital Expenses | $36,000 | 1.8% | $300 |
| | | | |
| Total Expenses Incl Cap'l Expenses | $873,147 | 43.7% | $7,276 |
| | | | |
| Net Cash Flow (NOI w/Cap'l Expenses) | $1,125,082 | 56.3% | $9,376 |

| | |
|---|---|
| First Mortgage Debt Service | 946,186 |
| First Mortgage DSCR | 1.19 |
| Surtax DS | 30,000 |
| Total DSCR | 1.16 |

Pillar

**Liberty Square - Phase 4D**

**Preliminary Loan Sizing**

| | |
|---|---|
| # Units | 240 |
| Loan Amount | $ 34,900,000 |
| | |
| 10-yr Treasury Rate (assumed at closing) | 2.00% |
| Spread (assumed at closing) | 2.74% |
| Total Rate (assumed at closing) | 4.74% |

| INCOME | Loan Sizing | | |
|---|---|---|---|
| | Amount | % | $/Unit |
| Gross Potential Rent | $4,227,552 | 100.0% | $17,615 |
| Vacancy | -$255,093 | 6.0% | ($1,063) |
| Bad Debt/Collection Loss | $0 | 0.0% | $0 |
| Concessions | $0 | 0.0% | $0 |
| Baseline Adjustment (PHA Asset Mgmt Fee) | $0 | 0.0% | $0 |
| Net Rental Income | $3,972,459 | 100.0% | $16,552 |
| | | | |
| Commercial Income | $0 | 0.0% | $0 |
| Commercial Vacancy | $0 | 0.0% | $0 |
| Net Commercial Income | $0 | 0.0% | $0 |
| | | | |
| Laundry/Vending | $0 | 0.0% | $0 |
| Parking | $0 | 0.0% | $0 |
| Other Income | $24,000 | 0.6% | $100 |
| Effective Gross Income | $3,996,459 | 100.6% | $16,652 |
| | | | |
| Real Estate Taxes | $303,448 | 7.6% | $1,264 |
| Property Insurance | $144,000 | 3.6% | $600 |
| Utilities | $144,000 | 3.6% | $600 |
| Repairs and Maintenance | $240,000 | 6.0% | $1,000 |
| Management Fee | $239,788 | 6.0% | $999 |
| Payroll and Benefits | $336,000 | 8.5% | $1,400 |
| Marketing | $24,000 | 0.6% | $100 |
| Professional Fees | $24,000 | 0.6% | $100 |
| General and Administrative | $36,000 | 0.9% | $150 |
| Other Expenses (Resident Services) | $50,000 | 1.3% | $208 |
| Ground Rent | $0 | 0.0% | $0 |
| Total Expenses | $1,541,236 | 38.6% | $6,422 |
| | | | |
| Net Operating Income | $2,455,223 | 61.8% | $10,230 |
| | | | |
| Capital Reserve | $72,000 | 1.8% | $300 |
| Extraordinary Capital Items | $0 | 0.0% | $0 |
| Total Capital Expenses | $72,000 | 1.8% | $300 |
| | | | |
| Total Expenses incl Cap'l Expenses | $1,613,236 | 40.4% | $6,722 |
| | | | |
| Net Cash Flow (NOI w/Cap'l Expenses) | $2,383,223 | 59.6% | $9,930 |

| | |
|---|---|
| First Mortgage Debt Service | 2,044,700 |
| First Mortgage DSCR | 1.17 |
| Surtax DS | 17,000 |
| Total DSCR | 1.16 |

## SECTION 3.11.A) PROJECT FINANCE APPROACH – PHASE 4D

Pro Forma

Construction Lender Firm Commitment

Construction Lender Underwriting

Equity Firm Commitment

Equity Underwriting

Permanent Lender Firm Commitment

Permanent Lender Underwriting

# Liberty Square Rising - Phase 4D
## EXECUTIVE SUMMARY

| | |
|---|---|
| Address | - |
| | Miami, FL |
| Total Units | 240 |

| SOURCES | Construction Source of Funds | Per Unit | Permanent Source of Funds | Per Unit |
|---|---|---|---|---|
| Tax Credit Equity: | 1,186,862 | 4,945 | 3,956,206 | 16,484 |
| Bonds | 34,900,000 | 145,417 | 34,900,000 | 145,417 |
| HOME | 3,000,000 | 12,500 | 3,000,000 | 12,500 |
| Surtax | 1,700,000 | 7,083 | 1,700,000 | 7,083 |
| Deferred Developer Fee: | 4,454,190 | 18,559 | 1,684,845 | 7,020 |
| **TOTAL** | **45,241,051** | **188,504** | **45,241,051** | **188,504** |

| USES | | Total | Per Unit |
|---|---|---|---|
| **Acquisition** | | | |
| Acquisition Costs | | 600,000 | 2,500 |
| **Construction** | | | |
| Residential Construction | | 26,160,000 | 109,000 |
| GC Fees | 14% | 3,662,400 | |
| Hard Cost Contingency | 5% | 1,491,120 | |
| Total Construction | | 31,313,520 | 130,473 |
| **Soft Costs** | | | |
| Accountant Cost Cert: | | 50,000 | |
| Third party (appraisal, inspections, survey etc.) | | 56,500 | |
| Environmental | | 10,000 | |
| Architectural & Engineering | | 985,000 | |
| Other Project Soft Costs | | 2,104,993 | |
| Developer Legal Costs | | 180,000 | |
| Financing Costs - Issuance & Origination | | 883,480 | |
| Financing Legal Costs | | 210,000 | |
| Equity Syndication Costs | | 354,941 | |
| Replacement Reserve: | | 72,000 | |
| Lease Up Reserve | | 175,862 | |
| Operating Deficit Reserve | | 918,734 | |
| Debt Reserve: | | 500,000 | |
| Soft Cost Contingency | 5% | 194,325 | |
| Soft Costs | | 6,695,835 | 27,899 |
| **TOTAL COSTS before Developer Fee** | | **38,609,355** | **160,872** |
| Developer Fee | | 6,631,697 | 27,632 |
| **TOTAL COSTS** | | **45,241,051** | **188,504** |
| **Total Development Costs Excluding Land** | | **44,641,051** | **186,004** |

**SCHEDULE OF FORECASTED BASE-YEAR REVENUES AND EXPENSES**

**Project:** Liberty Square Rising - Phase 4D
**Project County:** Miami Dade

| Income Level Served | Number of BRs | Number of Units | Pro Forma Rent | Annual Rent |
|---|---|---|---|---|
| **50%** | 1 | 24 | 579.00 | 166,752 |
| **50%** | 2 | 24 | 696.00 | 200,448 |
| **120%** | 1 | 96 | 1,523.00 | 1,754,496 |
| **120%** | 2 | 96 | 1,828.00 | 2,105,856 |
| **Totals** | | 240 | | 4,227,552 |

| **ANNUAL OPERATING** | | **CURRENT Annual** | **Annual Rents / Unit** |
|---|---|---|---|
| Gross Potential Revenue | | 4,227,552 | 17,615 |
| Miscellaneous Revenue | | 24,000 | 100 |
| **Gross Potential Income** | | **4,251,552** | **17,715** |
| Vacancy and Collection Loss[2] | 6% | 255,093 | 1063 |
| PHA Asset Management Fee | 5% | - | 0 |
| **EFFECTIVE GROSS INCOME (EGI)** | | **3,996,459** | **16,652** |
| General & Administrative | | 36,000 | 150 |
| Payroll | | 336,000 | 1,400 |
| Utilities | | 144,000 | 600 |
| Marketing | | 24,000 | 100 |
| Maintenance & repairs | | 84,000 | 350 |
| Security | | 84,000 | 350 |
| Service contracts | | 72,000 | 300 |
| Resident Services | | 50,000 | 208 |
| Management Fee | | 239,788 | 999 |
| Professional services | | 24,000 | 100 |
| **Subtotal - Controllable** | | 1,093,788 | 4,557 |
| Real Estate Taxes | | 303,448 | 1,264 |
| Property and Liability Ins. | | 144,000 | 600 |
| **Subtotal - Taxes & Insurance** | | 447,448 | 1,864 |
| **Total Annual Operating Expenses & Reserves** | | **1,541,235** | **6,422** |
| Replacement Reserve Deposits | | 72,000 | 300 |
| **NET OPERATING INCOME (LOSS)** | | **$ 2,383,224** | **$ 9,930** |

OPERATING PROFORMA - Liberty Square Rising - Phase 4D

| Revenue | Growth | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 | Year 9 | Year 10 | Year 11 | Year 12 | Year 13 | Year 14 | Year 15 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Rental Income** | | | | | | | | | | | | | | | | |
| Gross Potential Revenue | 2.0% | 4,227,552 | 4,312,103 | 4,398,345 | 4,486,312 | 4,576,038 | 4,667,559 | 4,760,910 | 4,856,128 | 4,953,251 | 5,052,316 | 5,153,362 | 5,256,430 | 5,361,558 | 5,468,789 | 5,578,165 |
| **Total Rent Revenue** | | **4,227,552** | **4,312,103** | **4,398,345** | **4,486,312** | **4,576,038** | **4,667,559** | **4,760,910** | **4,856,128** | **4,953,251** | **5,052,316** | **5,153,362** | **5,256,430** | **5,361,558** | **5,468,789** | **5,578,165** |
| | | | 1.0200 | | | | | | | | | | | | | |
| **Rent Loss** | | | | | | | | | | | | | | | | |
| Vacancy and Collection Loss | 6.0% | 255,093 | 260,195 | 265,399 | 270,707 | 276,121 | 281,643 | 287,276 | 293,022 | 298,882 | 304,860 | 310,957 | 317,176 | 323,520 | 329,990 | 336,590 |
| PHA Asset Management Fee | 5.0% | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **Total Rent Loss** | | **255,093** | **260,195** | **265,399** | **270,707** | **276,121** | **281,643** | **287,276** | **293,022** | **298,882** | **304,860** | **310,957** | **317,176** | **323,520** | **329,990** | **336,590** |
| | | | 1.0200 | | | | | | | | | | | | | |
| **Other Revenue** | | | | | | | | | | | | | | | | |
| Miscellaneous Revenue | 2.0% | 24,000 | 24,480 | 24,970 | 25,469 | 25,978 | 26,498 | 27,028 | 27,568 | 28,120 | 28,682 | 29,256 | 29,841 | 30,438 | 31,047 | 31,667 |
| **Total Other Revenue** | | **24,000** | **24,480** | **24,970** | **25,469** | **25,978** | **26,498** | **27,028** | **27,568** | **28,120** | **28,682** | **29,256** | **29,841** | **30,438** | **31,047** | **31,667** |
| | | | 1.0200 | | | | | | | | | | | | | |
| **Total Revenue** | | **3,996,459** | **4,076,388** | **4,157,916** | **4,241,074** | **4,325,896** | **4,412,414** | **4,500,662** | **4,590,675** | **4,682,489** | **4,776,138** | **4,871,661** | **4,969,094** | **5,068,476** | **5,169,846** | **5,273,243** |
| **Expenses** | | | | | | | | | | | | | | | | |
| General & Administrative | 3.0% | 36,000 | 37,080 | 38,192 | 39,338 | 40,518 | 41,734 | 42,986 | 44,275 | 45,604 | 46,972 | 48,381 | 49,832 | 51,327 | 52,867 | 54,453 |
| Payroll | 3.0% | 336,000 | 346,080 | 356,462 | 367,156 | 378,171 | 389,516 | 401,202 | 413,238 | 425,635 | 438,404 | 451,556 | 465,103 | 479,056 | 493,427 | 508,230 |
| Utilities | 3.0% | 144,000 | 148,320 | 152,770 | 157,353 | 162,073 | 166,935 | 171,944 | 177,102 | 182,415 | 187,887 | 193,524 | 199,330 | 205,310 | 211,469 | 217,813 |
| Marketing | 3.0% | 24,000 | 24,720 | 25,462 | 26,225 | 27,012 | 27,823 | 28,657 | 29,517 | 30,402 | 31,315 | 32,254 | 33,222 | 34,218 | 35,245 | 36,302 |
| Maintenance & repairs | 3.0% | 84,000 | 86,520 | 89,116 | 91,789 | 94,543 | 97,379 | 100,300 | 103,309 | 106,409 | 109,601 | 112,889 | 116,276 | 119,764 | 123,357 | 127,058 |
| Security | 3.0% | 84,000 | 86,520 | 89,116 | 91,789 | 94,543 | 97,379 | 100,300 | 103,309 | 106,409 | 109,601 | 112,889 | 116,276 | 119,764 | 123,357 | 127,058 |
| Service contracts | 3.0% | 72,000 | 74,160 | 76,385 | 78,676 | 81,037 | 83,468 | 85,972 | 88,551 | 91,207 | 93,944 | 96,762 | 99,665 | 102,655 | 105,734 | 108,906 |
| Resident Services | 3.0% | 50,000 | 51,500 | 53,045 | 54,636 | 56,275 | 57,964 | 59,703 | 61,494 | 63,339 | 65,239 | 67,196 | 69,212 | 71,288 | 73,427 | 75,629 |
| Management Fee | 3.0% | 239,788 | 246,981 | 254,391 | 262,022 | 269,883 | 277,979 | 286,319 | 294,908 | 303,756 | 312,868 | 322,254 | 331,922 | 341,880 | 352,136 | 362,700 |
| Professional services | 3.0% | 24,000 | 24,720 | 25,462 | 26,225 | 27,012 | 27,823 | 28,657 | 29,517 | 30,402 | 31,315 | 32,254 | 33,222 | 34,218 | 35,245 | 36,302 |
| Real Estate Taxes | 3.0% | 303,448 | 312,551 | 321,928 | 331,586 | 341,533 | 351,779 | 362,332 | 373,202 | 384,398 | 395,930 | 407,808 | 420,043 | 432,644 | 445,623 | 458,992 |
| Insurance | 3.0% | 144,000 | 148,320 | 152,770 | 157,353 | 162,073 | 166,935 | 171,944 | 177,102 | 182,415 | 187,887 | 193,524 | 199,330 | 205,310 | 211,469 | 217,813 |
| **Total Cost of Operations** | | **1,541,235** | **1,587,472** | **1,635,096** | **1,684,149** | **1,734,674** | **1,786,714** | **1,840,315** | **1,895,525** | **1,952,391** | **2,010,962** | **2,071,291** | **2,133,430** | **2,197,433** | **2,263,356** | **2,331,257** |
| **Replacement Reserve Deposits** | 3.0% | **72,000** | **74,160** | **76,385** | **78,676** | **81,037** | **83,468** | **85,972** | **88,551** | **91,207** | **93,944** | **96,762** | **99,665** | **102,655** | **105,734** | **108,906** |
| **Net Operating Income** | | **2,383,224** | **2,414,756** | **2,446,435** | **2,478,248** | **2,510,185** | **2,542,232** | **2,574,375** | **2,606,599** | **2,638,890** | **2,671,232** | **2,703,608** | **2,735,999** | **2,768,388** | **2,800,755** | **2,833,080** |
| **Debt Service - Hard** | | | | | | | | | | | | | | | | |
| First Mortgage | Rate | | | | | | | | | | | | | | | |
| *Interest Payments* | 4.74% | 1,645,665 | 1,626,334 | 1,606,067 | 1,584,818 | 1,562,540 | 1,539,183 | 1,514,694 | 1,489,018 | 1,462,099 | 1,433,876 | 1,404,286 | 1,373,262 | 1,340,735 | 1,306,632 | 1,270,878 |
| *Principal Payments* | | 399,035 | 418,366 | 438,633 | 459,882 | 482,160 | 505,517 | 530,006 | 555,682 | 582,601 | 610,824 | 640,414 | 671,438 | 703,965 | 738,067 | 773,822 |
| Total | | 2,044,700 | 2,044,700 | 2,044,700 | 2,044,700 | 2,044,700 | 2,044,700 | 2,044,700 | 2,044,700 | 2,044,700 | 2,044,700 | 2,044,700 | 2,044,700 | 2,044,700 | 2,044,700 | 2,044,700 |
| **Hard Pay Debt Service** | | **2,044,700** | **2,044,700** | **2,044,700** | **2,044,700** | **2,044,700** | **2,044,700** | **2,044,700** | **2,044,700** | **2,044,700** | **2,044,700** | **2,044,700** | **2,044,700** | **2,044,700** | **2,044,700** | **2,044,700** |
| *DSCR* | | *1.17* | *1.18* | *1.20* | *1.21* | *1.23* | *1.24* | *1.26* | *1.27* | *1.29* | *1.31* | *1.32* | *1.34* | *1.35* | *1.37* | *1.39* |
| Surtax/CFFP | | | | | | | | | | | | | | | | |
| *Interest Payments* | 1.00% | 17,000 | 17,000 | 17,000 | 17,000 | 17,000 | 17,000 | 17,000 | 17,000 | 17,000 | 17,000 | 17,000 | 17,000 | 17,000 | 17,000 | 17,000 |
| *Principal Payments* | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total | | 17,000 | 17,000 | 17,000 | 17,000 | 17,000 | 17,000 | 17,000 | 17,000 | 17,000 | 17,000 | 17,000 | 17,000 | 17,000 | 17,000 | 17,000 |
| **Total Debt Service** | | 2,061,700 | 2,061,700 | 2,061,700 | 2,061,700 | 2,061,700 | 2,061,700 | 2,061,700 | 2,061,700 | 2,061,700 | 2,061,700 | 2,061,700 | 2,061,700 | 2,061,700 | 2,061,700 | 2,061,700 |
| *All-In DSCR* | | *1.16* | *1.17* | *1.19* | *1.20* | *1.22* | *1.23* | *1.25* | *1.26* | *1.28* | *1.30* | *1.31* | *1.33* | *1.34* | *1.36* | *1.37* |
| **Before Tax Cash Flow** | | 321,524 | 353,056 | 384,735 | 416,548 | 448,485 | 480,532 | 512,675 | 544,899 | 577,190 | 609,532 | 641,908 | 674,299 | 706,688 | 739,055 | 771,380 |
| **Deferred Developer Fee Balance** | | 1,684,845 | 1,368,321 | 1,020,416 | 640,986 | 229,901 | - | - | - | - | - | - | - | - | - | - |
| LP Asset Management Fee: | 3.0% | 5,000 | 5,150 | 5,305 | 5,464 | 5,628 | 5,796 | 5,970 | 6,149 | 6,334 | 6,524 | 6,720 | 6,921 | 7,129 | 7,343 | 7,563 |
| Deferred Developer Fee and Interest: | | 316,524 | 347,906 | 379,430 | 411,085 | 229,901 | - | - | - | - | - | - | - | - | - | - |
| **Cash Flow after Developer Fee** | | - | - | - | - | 212,957 | 474,735 | 506,704 | 538,750 | 570,857 | 603,008 | 635,188 | 667,378 | 699,560 | 731,713 | 763,817 |

Community Capital

February 2, 2016

Mr. Alberto Milo, Jr.
Related Urban Development Group ("RUDG")
444 Brickell Avenue Suite 301
Miami, FL 33131

**Re: Commitment to utilize Private Activity Volume Cap to finance Multifamily Rental Projects relating to the new construction of eight projects to be known as Liberty Square Rising Phase 1A, Liberty Square Rising Phase 1B, Liberty Square Rising Phase 2, Liberty Square Rising Phase 4B, Liberty Square Rising Phase 4C, and Liberty Square Rising Phase 4D located in Miami-Dade County, Florida (the "Property" or "Properties")**

Ladies and Gentlemen:

Citibank, N.A.("CITI") is pleased to offer to RUDG ("Sponsor"), as the Sponsor of to-be-formed affiliates ("Borrower" or "Borrowers"), this commitment ("Commitment") for financing , subject to the terms, requirements and conditions which follow. All capitalized terms used herein, unless otherwise defined, shall have the meaning set forth on Exhibit A annexed hereto and incorporated herein by this reference (the "Commitment Terms"). CITI's decision to issue this Commitment was made in reliance upon the representations and material supplied by Sponsor and Sponsor's representatives, as more particularly described on Exhibit B annexed hereto. CITI understands that Sponsor intends to submit this Commitment to Miami-Dade County Housing Finance Authority ("Governmental Lender") in support of Sponsor's application to obtain 1) private activity volume cap allocation(s) with respect to the financing of the Properties and 2) soft financing from Miami-Dade County. **This Commitment is subject to, among other things, CITI completing due diligence to confirm the representations made by Sponsor and obtaining credit committee approval.**

**In connection with this Commitment, CITI will be acting solely as a principal and not as your agent, advisor or fiduciary. CITI has not assumed a fiduciary responsibility with respect to this Commitment, and nothing in this Commitment or in any prior relationship between you and CITI will be deemed to create an advisory, fiduciary or agency relationship between us in respect of this Commitment. You should consider carefully whether you would like to engage an independent advisor to represent or otherwise advise you in connection with this Commitment, if you have not already done so.**

**A. Transaction Summary.** The terms of the tax-exempt financing transaction (the "Transaction") that is the subject of this Commitment is as follows:

1. On the issuance date (the "Closing Date"), CITI shall fund a loan (the "Funding Loan") to Governmental Lender, and Governmental Lender shall simultaneously issue a note (the "Governmental Lender Note") to CITI. The proceeds of the Funding Loan shall be used by Governmental Lender to make a tax-exempt loan (the "Tax-Exempt Loan" or the "Borrower Loan") to Borrower to finance the Property, for which the Governmental Lender receives a borrower note (the "Borrower Note"). Borrower shall be responsible for securing the issuance and delivery of the Tax-Exempt Loan by the Governmental Lender.

2. Upon closing of the transaction, the rights of Governmental Lender in the Borrower Loan and all documents evidencing and securing the Borrower Loan (the "Borrower Loan Documents") shall be assigned to a fiscal agent, which may be CITI (the "Fiscal Agent"), as security for the

Governmental Lender's obligations to CITI evidenced by the Governmental Lender Note. CITI will administer and direct the disbursement of the proceeds of the Funding Loan and the Borrower Loan and will oversee the construction work to be performed on the Property (the "Improvements"). The completion of the Improvements and all related work shall be performed during the Construction Phase (as hereinafter defined).

3. CITI shall have the right to engage a third party servicer ("Servicer") to provide limited servicing/oversight functions on behalf of CITI pursuant to a separate servicing agreement with CITI. CITI shall pay Servicer any applicable servicing fee.

4. Intentionally Omitted

5. CITI anticipates that CITI's interest in the Tax-Exempt Loan may be transferred to any eligible investor, which may be a government sponsored enterprise or institutional investor (or a trust for the benefit thereof) and CITI's underwriting and documentation will provide for the possibility of such transfer.

**B. Conditions Precedent to Closing.** The obligation of CITI to make the Funding Loan is subject to satisfaction of the following conditions precedent ("Conditions Precedent to Closing"), in each case in a manner acceptable to CITI. The form and substance of all documents and items submitted by Borrower hereunder must be acceptable to CITI and its counsel.

1. Credit Approval. This Commitment is subject, among other things, to CITI obtaining final credit committee approval. Sponsor understands and agrees that this is subject to final approvals as set forth in Part E.4. of this Commitment and is not an agreement to make a loan. Any documentation will be forthcoming only after final approval of the underwriting by CITI's credit committee. The financing will be documented separately and will contain terms and conditions that may be in addition to or in substitution of those set forth in the Commitment.

2. Documents. Borrower shall duly authorize, execute and deliver or cause to be delivered at closing a Multifamily Note, a Multifamily Deed of Trust, Deed to Secure Debt or Mortgage, where appropriate (the "Security Instrument"), a Guaranty or Guarantees (including a Completion and Payment Guaranty for the Construction Phase and a Non-recourse Carve-out Guaranty), an Agreement of Environmental Indemnification, a Replacement Reserve Agreement, a Construction Funding Agreement, Assignments and any other assignment, financing statement, agreement or document required by CITI in connection with the Loan (collectively, the "Mortgage Documents"). The Funding Loan Agreement, the Regulatory Agreement, the Borrower Loan Agreement, the Borrower Note and all other documents executed or issued in connection with the transaction shall be referred to, collectively, as the "Tax-Exempt Loan Documents". The Security Instrument and Borrower Note shall initially be for the benefit of Governmental Lender and shall be assigned on the Closing Date to CITI. The Tax-Exempt Loan Documents must be in a form satisfactory to CITI and Governmental Lender. Where appropriate, the Mortgage Documents and the Tax-Exempt Loan Documents shall be acknowledged, recorded and filed in the public record, and all recording receipts promptly delivered to CITI.

3. Title Insurance. Borrower shall promptly deliver to CITI a commitment for a mortgagee's title insurance policy, prepared in accordance with CITI's title insurance instructions, along with a pro forma policy in the form included in such instructions. The title insurance commitment and policy must satisfy all of the requirements of such instructions and include such other coverage and endorsements as CITI may require. The company and/or agent issuing the commitment shall be acceptable to CITI in all respects. Borrower shall also furnish CITI with copies of all instruments affecting title to the Property including, but not limited to, all instruments referenced in Schedule B of the pro forma policy.

4. UCC Search/Perfection. Borrower shall commission UCC searches in the real estate records and personal property records of the following jurisdictions and shall furnish written reports of such searches to CITI: (i) the jurisdiction where the Property is located, (ii) any other jurisdiction in which Borrower has its principal office for the conduct of its business, (iii) in the central UCC filing location specified by the law of the state where the Property is located, and (iv) any other office where filing is necessary to perfect Governmental Lender's or Fiscal Agent's security interest in the Collateral (as hereinafter defined). All such searches shall be updated to the time of recordation of the Mortgage Documents and shall show no security interests affecting the Property, Guarantor or Borrower, other than those naming Governmental Lender or Fiscal Agent as the secured party. Borrower shall cause the appropriate filing of financing statements, on forms supplied by CITI, evidencing Governmental Lender's or Fiscal Agent's perfected first priority security interest in all personal property, machinery, equipment, building materials, contract rights, furniture, fixtures, royalties, receivables and other rights related thereto, as well as all leases, rents, revenues and proceeds therefrom and all proceeds of the foregoing (collectively, the "Collateral"). Such filing shall be in compliance with both the Uniform Commercial Code, as adopted in the state in which the Property is located, and all other applicable laws affecting the perfection of security interests. Borrower shall furnish to CITI, promptly upon recordation, receipted or time stamped copies of the filed financing statements.

5. Authority. Borrower shall furnish to CITI certified documents satisfactory to CITI evidencing Borrower's power and authority to enter into the Mortgage Documents and the Tax-Exempt Loan Documents. If Borrower is a corporation, such documents shall include Borrower's Articles of Incorporation, Bylaws, corporate resolution relevant to the Loan and a Certificate of Good Standing from the state of incorporation and the state where the Property is located. If Borrower is a partnership, such documents shall include a copy of the partnership agreement and partnership certificate, and the above-referenced corporate documents for any corporate general partner of Borrower. If Borrower is a limited liability company, such documents shall include a copy of the Articles of Organization and Operating Agreement and the Certificate of Authenticity or Certificate of Good Standing from the state of organization and the state where the Property is located.

6. Leases. The standard form of lease used at the Property shall be subject to the prior written approval of CITI. All new leases and renewals of existing leases shall be made on the approved standard form of lease unless otherwise agreed to by CITI. There must be no commercial leases affecting the Property, except for any laundry lease and other commercial lease disclosed in writing to and approved in writing by CITI and its counsel prior to the date of this Commitment. Any current commercial lease or laundry lease must be subordinated to the lien of the Security Instrument and other Mortgage Documents. Borrower agrees that any future commercial lease or laundry lease or renewal of any current commercial lease or laundry lease will contain language acceptable to CITI subordinating said lease to the lien of the Security Instrument and other Mortgage Documents. There must be no default under any current commercial lease or laundry lease.

7. Borrower's Management Agreement. Borrower shall furnish to CITI a copy of Borrower's management agreement. The management agreement must be with a professional management company and both the management company and the terms of the management agreement must be approved in writing by CITI. Borrower shall not make or permit to be made any changes to the management agreement without the prior written approval of CITI. Without limiting the foregoing, the management agreement must be terminable by owner on 30 days' notice, with or without cause and without payment of any termination fee. If required by CITI, a portion of the management fee

may be required to be subordinated to debt service and other amounts payable with respect to the Loan.

8. Rent Roll. [not applicable]

9. Appraisal. CITI shall have received an appraisal of the Property satisfactory to CITI.

10. Opinion of Borrower's Counsel. Borrower shall deliver to CITI a written opinion by Borrower's counsel approved by CITI, addressed to CITI, Issuer and Bond Trustee and in the form furnished or approved by CITI's counsel.

11. Insurance. Borrower shall deliver to CITI an insurance policy evidencing the existence of insurance relating to the Property, which evidence shall include "paid" premium invoices, conforming in all respects to CITI's insurance requirements as provided to Borrower in a separate package, as same may, from time to time, be modified. Such insurance for the Property shall include, without limitation, coverage for acts of terrorism and, if applicable, flood insurance (as more particularly set forth in Paragraph 17 below). In addition, Borrower must deliver prior to closing (i) the original, or a copy certified by the insurance agent, of the policy(ies) of insurance; or (ii) the insurance binder; or (iii) a certificate of insurance (Acord Form 28 property or Acord Form 27 liability or other form, satisfactory to Lender, provided by the insurance agent); or (iv) original letter from the insurance carrier on the primary layer, signed by an officer of such carrier, attaching the form of insurance policy pursuant to which coverage is being provided, and, if applicable, original letter from each insurance carrier on the excess layers, signed by an officer of such carrier(s) agreeing that it is bound to the form of insurance policy delivered by the primary carrier (*i.e.*, agreeing to "follow form" to the primary carrier). The letter must set forth the date by which the policy will be delivered to CITI, which must not be more than sixty (60) days following closing. All mortgagee/loss payee/additional insured endorsements must be attached to the letter.

12. Permits/Occupancy. Borrower shall deliver to CITI evidence satisfactory to CITI that all applicable governmental authorities have authorized construction of the Improvements and the development and, if applicable, the operation of the Property as a multifamily residential unit, including, without limitation, occupancy permits (if applicable) and building permits. Any nonresidential occupancy must be approved in writing by CITI.

13. Zoning/Subdivision. Borrower shall deliver to CITI certification from the local governmental authority (i) that the use of the Property as a multifamily residential complex complies with all zoning and subdivision ordinances and regulations applicable to the Property and that it is either a legal, conforming use or a legal, nonconforming use acceptable under CITI's underwriting standards, (ii) that the Property has been properly subdivided, and (iii) that the improvements on the Property can be rebuilt on the same location to their presently existing size, shape and density if partially or totally destroyed.

14. Access/Utilities. Borrower shall deliver to CITI evidence satisfactory to CITI that the Property is located on a publicly dedicated and maintained roadway or acceptable easement thereto, is served by public water and sewer systems, electricity and telephone service, and receives adequate municipal services (fire, police and transportation, among others).

15. Other Compliance. Borrower shall deliver to CITI evidence satisfactory to CITI that the Property, and Borrower's operation thereof, is in compliance with all local and/or state building, safety, health and fire codes, all clean air and water acts and other Hazardous Materials Laws (as hereinafter defined), and all equal opportunity, anti-discriminatory and fair housing requirements.

16. Survey. Borrower shall deliver to CITI a current, certified, "boundary" or "as-built" (as applicable) ALTA survey of the Property and surveyor's certificate, prepared by a registered engineer or surveyor approved by CITI. The survey and surveyor's certificate shall be satisfactory in form and substance to CITI and shall contain those matters set forth in CITI's survey instructions.

17. Flood Zone Map/Certification/Insurance. Borrower shall deliver to CITI a certification from Borrower's architect, engineer or surveyor stating whether the Property is located in a designated special Flood Plain Hazard area, as designated by appropriate federal agencies. If all or any portion of the Property is at any time during the term of the Loan, located in such an area, Borrower shall provide satisfactory evidence to CITI of the existence of flood insurance policies in the maximum amount required pursuant to applicable laws covering all of the improvements on the Property which lie within, are bounded by, or are in any way affected by such area.]

18. Operating Documents. Borrower shall furnish copies of any form documents used for the Property and any equipment leases, licenses, franchises, permits, contracts, and any other agreements required for the operation, use, management or occupancy of the Property, and all such items shall be subject to written approval by CITI.

19. Financial Statements of Borrower and Guarantor. CITI shall receive, for its review and approval detailed financial statements for Borrower, any principal in Borrower and each Guarantor, certified by Borrower, such principal or the Guarantor, as the case may be. CITI may also require updated and/or recertified financial statements as of the Closing Date.

20. Environmental Assessment Report. CITI shall receive and approve a written report or reports from CITI's independent environmental inspectors confirming that the Property and any site within the vicinity of the Property (i) has not contained and does not currently contain any Hazardous Material or underground storage tanks or any other pollutants that could be detrimental to the Property, human health or the environment, (ii) does not contain radon gas in levels unacceptable to CITI, (iii) complies with all applicable Hazardous Material Laws and has not been identified by any environmental regulatory body as a site containing Hazardous Material or underground storage tanks, (iv) shows no other environmental problem that would bring the Property within the purview of any federal, state or local environmental law or ordinance, and (v) contains no residual effect due to the removal of storage tanks or Hazardous Material. All deficiencies with respect to any environmental matters which CITI deems to be material shall be corrected by Borrower at its own expense to the satisfaction of CITI. "Hazardous Material" means and includes, without limitation, mold, asbestos and any substance containing asbestos, the group of organic compounds known as polychlorinated biphenyls, flammable explosives, radioactive materials, lead-based paint, chemicals known to cause cancer or reproductive toxicity, pollutants, effluents, contaminants, emissions or related materials and any items included in the definition of hazardous or toxic wastes, materials or substances under the Hazardous Material Laws. "Hazardous Material Laws" means and includes, all federal, state and local statutes, ordinances, regulations, orders, and decrees now or hereafter promulgated in connection with preserving the environment and/or the handling, storage, transport and disposal of Hazard Material.

21. Separate Tax Parcel(s). The Property shall constitute one or more separate and distinct tax parcels for purposes of all real estate taxes and assessments. There shall be no overlap whatsoever between the Property and any other property which will not be subject to the first lien of the Security Instrument. Borrower shall also furnish the most recent tax bills for the Property.

22. Opinion of Tax Counsel. CITI must receive from nationally recognized tax counsel approved by CITI an unqualified opinion (i) as to the validity and enforceability of the Tax-Exempt Loan, (ii) that the interest on the Tax-Exempt Loan is excluded from the gross income of

the owners thereof for federal income tax purposes under the Internal Revenue Code of 1986, as amended, and (iii) that the interest on the Tax-Exempt Loan is excluded from the gross income of the owners thereof for state income tax purposes if such exclusion is available under state law. Tax counsel must have (a) addressed its opinion to CITI, (b) addressed its opinion to CITI or (c) provided CITI a letter, addressed to CITI, stating that CITI may rely upon the opinion. Both the opinion and, if applicable, the reliance letter must be satisfactory to CITI.

23. Governmental Lender Requirements. CITI must receive evidence that Governmental Lender shall not impose restrictions, requirements or conditions in connection with its willingness to issue the Tax-Exempt Loan that are unacceptable to CITI. The restrictions imposed by the Tax-Exempt Loan Documents must be consistent with the restrictions on the use of the Property, on the income of tenants and on any rent charge that was used in underwriting the Funding Loan.

24. Low-Income Housing Tax Credits ("LIHTC"). CITI must approve any land use restriction agreement or regulatory agreement regulating or restricting the use or manner of operation of the Property and requiring that the Property be operated as a residential rental project occupied by individuals of low income (as provided for in the Treasury Regulations under Section 42(g) of the Internal Revenue Code). Such regulatory agreement must provide that the Property shall at all times be operated in such manner as to comply with the requirements of the Internal Revenue Code, the Treasury Regulations and IRS Rulings for obtaining and for preserving the LIHTC. In addition, the eligibility of the Property for LIHTC shall be evidenced to CITI in a manner satisfactory to CITI. Such regulatory agreement must be reviewed and approved in writing by CITI.

25. Equity and Funding Conditions. CITI must approve the partners/members (including the Tax Credit Investor), the applicable investment agreement, and the organizational documents of Borrower. CITI must receive and approve evidence satisfactory to CITI in all respects that the amount of the equity contribution is projected to be at least the level used by CITI in underwriting the transaction. Borrower's organizational documents shall contain restrictions acceptable to CITI on the syndication or other transfer of the Tax Credit Investor's interest, in whole or in part (including any interest therein), to eligible investors. In addition, prior to the Closing Date, CITI must receive and approve evidence satisfactory to CITI in all respects that Borrower (i) has timely received all required equity contributions to be made to Borrower as of the Closing Date, (ii) has fully funded, for the benefit of the Property, all cash required to be invested in the Property as of the Closing Date, and (iii) has made satisfactory arrangements to fund all cash required to be funded after the Closing Date. Borrower must also provide and CITI must approve in writing any developer's agreement relating to the Property.

26. Construction Phase Budget. CITI will require satisfactory evidence that other funds and Loan Proceeds are adequate to complete the Improvements and carry the costs of the Property (including but not limited to interest, taxes, insurance, and operating costs), as determined by CITI based upon its review of scope of work, the Appraisal and other relevant information. CITI reserves the right to receive, review and approve all project expenditures made prior to closing.

27. Architectural Consultant and Construction Inspector. CITI shall have approved an architectural consultant to monitor the progress of the Improvements (the "Architectural Consultant") and Borrower and the Architectural Consultant shall have executed and delivered to CITI an agreement in form and substance acceptable to CITI, pursuant to which the Architectural Consultant shall agree to certify hard cost progress payments and to provide the certifications required pursuant to this Commitment upon completion of the Improvements. In addition, CITI will enter into an agreement directly with a construction inspector ("Construction Inspector") for the benefit of CITI, but at the sole cost and expense of Borrower, to review the

plans and specifications, contracts and budget for the Improvements and to monitor the progress of the construction of the Improvements in the manner required by CITI.

28. Approved Plans. CITI and its engineering consultants and the Construction Inspector shall have received and approved the plans and specifications for the Improvements (such plans and specifications, as approved by CITI are referred to herein as the "Approved Plans"), the budget for completion of the Improvements, a fixed or a guaranteed maximum price contract for completion of the Improvements with a general contractor acceptable to CITI and a construction draw schedule for the Improvements.

29. Change Orders. The Approved Plans and the Construction Contract, and any change orders issued thereunder, will be subject to the approval of CITI.

30. Contractors. The architect, general contractor and such other contractors and subcontractors with respect to the Property as shall be identified by Borrower and approved by CITI shall have acknowledged the collateral assignment of their respective contracts to CITI and agreed in writing to continue performance on behalf of CITI under their respective contracts without additional cost in the event of a default by Borrower, which agreements shall be in form and substance acceptable to CITI and its counsel.

31. Payment and Performance Bonds. To the extent indicated on Exhibit A hereto, Borrower shall be required to deliver to CITI payment and performance bonds with respect to its contractor and major subcontractors (as determined by CITI).

32. Additional Documents. Upon request by CITI, Borrower shall furnish CITI with any documentation being furnished to any other party lending or investing in the Property (including CITI), including any plans for the Improvements, construction budgets, contracts and disbursement requests. In addition, Borrower shall deliver to CITI all other documents, instruments and other items required by CITI in connection with the making of the Funding Loan.

33. Additional Funding Requirements: All final documentation and due diligence must be delivered to tax counsel and/or counsel to CITI prior to the release of any funds for the Funding Loan, and under no circumstances will CITI authorize the closing of the Funding Loan until counsel to CITI has received the following final documentation: Trust Indenture, Funding Loan Agreement, Tax Certificate (or comparable document), Multifamily Note(s), the regulatory agreement/land use restriction agreement associated with the Tax-Exempt Loan, TEFRA approval(s), Governmental Lender's resolution(s), proof of volume allocation, , IRS Form 8038, final opinions of tax counsel and Borrower's counsel, any enhancement instrument, and, if applicable, all documentation required from HUD.

34. Fees and Expenses. Borrower shall have paid the Financing Fee (as hereinafter defined) and any other costs and expenses then due and payable pursuant to the provisions of this Commitment.

C. Intentionally Omitted

D. Fees and Expenses. Borrower shall be responsible for the following fees and expenses in connection with the financing:

1. Application Fee. Borrower hereby acknowledges requirement of an application fee (the "Application Fee") as set forth in the Commitment Terms, which amount shall be non- refundable. In the event additional funds are required to complete CITI's review and due diligence, Borrower will be advised of such costs in advance. Any and all additional costs will be billed to Borrower as they are incurred. The Application Fee is applicable toward third party reports,

underwriting and processing (as set forth in the Commitment Terms), and CITI's legal fees.

2. Origination Fee. The Origination Fee as set forth in the Exhibit A shall be due and payable on the Closing Date. The Origination Fee reflects a fee payable to CITI in exchange for providing financing for the Project.

3. Conversion Fee. Not applicable.

4. Fees and Expenses. Sponsor shall pay when due, whether or not the closing occurs, all reasonable and actual expenses, fees and charges with respect to the cost of issuance of the Tax-Exempt Loan (including tax and Governmental Lender counsel fees, Governmental Lender fees, Fiscal Agent fees, Fiscal Agent counsel fees, financial advisor fees, printing and mailing costs and other Tax-Exempt Loan related fees and costs), and the Tax-Exempt Loan processing and closing, or in any way connected therewith, including, without limitation, appraisal fees, survey costs, title insurance costs, architectural fees, engineering fees, inspection fees, mortgage or similar taxes and all attorneys' fees and legal costs of CITI. Without limiting the foregoing, Sponsor specifically agrees to pay all costs relating to document preparation and review of real estate due diligence items by counsel to CITI.

**E. Assignment; Acceptance; Termination.**

1. Acceptance. In order for this Commitment to be binding on CITI, Sponsor must execute a copy of this Commitment and return it, along with the Application Fee to CITI within five (5) business days after the date first set forth above (the "Outside Acceptance Date"), time being of the essence.

2. Expiration. This Commitment must be accepted on or before the Outside Acceptance Date, and the Tax-Exempt Loan must be issued prior to the Outside Closing Date set forth in the Commitment Terms, or this Commitment shall terminate and be of no further force and effect; provided, however that the provisions of this Commitment that explicitly survive termination shall continue in full force and effect. In the event that Sponsor does not obtain an allocation for the full amount of the Tax-Exempt Loan at least thirty (30) days prior to the Outside Closing Date, or the issuance of the Tax-Exempt Loan and the making of the Funding Loan by CITI does not occur by the Outside Closing Date, Sponsor may request an extension of this Commitment (not to exceed ninety (90) days), which extension shall be in Citi's sole discretion. In the event the requested extension is approved by CITI in its sole discretion, in addition to the Financing Fee and other amounts due hereunder, Sponsor shall pay to CITI a commitment extension fee equal to 0.25% (25 basis points) of the Construction Phase Amount on the Closing Date.

3. Termination. CITI may terminate this Commitment at any time if:

a. Any material adverse change (financial or otherwise) shall occur at any time prior to the Closing Date with respect to (i) the Property, the proposed Improvements, and/or the other security for the Tax-Exempt Loan, or (ii) the credit of Borrower and/or Sponsor (and/or any of the principals of Borrower and/or Sponsor) or any Guarantor or any other person or entity connected with the Loan, or (iii) any other source of repayment of the Loan.

b. Any part of the Property shall have been taken in condemnation or other like proceeding, or any such proceeding is pending or threatened as of the Closing Date, or any part of the Property is damaged and not repaired to CITI's satisfaction prior to the Closing Date.

c. If requested, certifications of the non-occurrence of (a) and (b) above, in form acceptable to CITI, are not executed by Borrower on the Closing Date, or if Borrower has not delivered on the Closing Date updated personal financial statements for any Guarantor.

d. After acceptance of this Commitment, the Tax-Exempt Loan is not issued and closed on or prior to the Outside Closing Date (as the same may be extended pursuant to Section E2.).

e. If, in CITI's sole judgment, CITI's underwriting and due diligence indicate the reasonable possibility of a material adverse change in the Property, the proposed Improvements, the Sponsor, the Borrower and/or any Guarantor.

f. If the OFAC representation and warranty in Section F5. is no longer true and correct.

4. Upon termination, Sponsor shall pay to CITI any other reasonable damages CITI may have incurred due to non-delivery of the Tax-Exempt Loan. **Sponsor's or Borrower's obligation to pay all amounts due under this Commitment shall survive the termination or expiration of this Commitment.** If Sponsor or Borrower fails or refuses to comply with the terms of this Commitment, CITI, at its option, shall have the right to enforce any rights and remedies it may have at law or in equity, including, but not limited to, the collection of costs and expenses arising out of such breach, including reasonable attorneys' fees and disbursements.

5. Final Underwriting. By accepting this Commitment, Sponsor expressly acknowledges that the obligation of CITI to provide the Funding Loan is subject to the completion of final loan underwriting by CITI, final CITI loan committee approval, and the satisfaction of any additional or differing conditions including interest rates that may be required by CITI as a result of such committee approval. By accepting this Commitment, Sponsor expressly acknowledges that the obligation of CITI to provide the financing described in this Commitment is subject to the satisfaction of the obligations and terms and conditions required by Citi for new construction and rehabilitation projects.

F. Miscellaneous.

1. Further Assurances. Sponsor hereby expressly acknowledges that CITI intends to incur costs upon acceptance of this Commitment. Upon acceptance of the Commitment, Sponsor shall be strictly obligated to close the transaction contemplated hereby. Sponsor acknowledges that failure to close the transaction will subject CITI to substantial costs and damages. Therefore, Sponsor hereby expressly agrees:

a. To perform all of the requirements, terms and conditions contained herein at the time and in the manner herein and as required by CITI.

b. Refrain from taking any action that would result in CITI's inability to arrange for the making of the Funding Loan.

c. On the request of CITI, to re-execute or ratify any of the Mortgage Documents and/or the Tax-Exempt Loan Documents, or execute any other documents as may be reasonably necessary to effect the delivery of the Tax-Exempt Loan to any investor.

2. Indemnification for Brokerage Commissions. Sponsor acknowledges and agrees that any fees due for tax-exempt loan or related mortgage loan origination services shall be Borrower's sole responsibility. Borrower and Sponsor shall indemnify and hold CITI harmless from and against any and all claims, demands and liability for brokerage commissions, assignment fees, finders' fees or other compensation whatsoever arising from the issuance of this Commitment, the making of

the Tax-Exempt Loan that may be asserted against CITI by any person or entity. **Sponsor's and Borrower's obligation to indemnify CITI hereunder shall survive the termination or expiration of this Commitment.**

3. Authorization. Sponsor and the undersigned Guarantor hereby authorize CITI to obtain and forward any and all credit information, including credit reports and financial statements and all other information of any kind received or reasonably required in connection with this Commitment to any rating agency and to any potential investor.

4. Exclusivity. The terms and provisions of this Commitment are intended for the sole and exclusive benefit of CITI and Borrower, and not for the benefit of, nor for the purpose of being relied upon, by any other party.

5. OFAC Provisions. Sponsor hereby represents and warrants that no portion of the Property has been or will be purchased, improved, equipped or furnished with proceeds of any illegal activity. Sponsor further represents and warrants that to the best of Sponsor's knowledge, after having made diligent inquiry, Sponsor, Borrower, each Person owning a direct or indirect interest in Borrower, each Guarantor, each person owing a direct or indirect interest in each Guarantor, the Property Manager, and each tenant at the Property: (a) is not currently identified on OFAC List, and (b) is not a Person with whom a citizen of the United States is prohibited to engage in transactions by any trade embargo, economic sanction, or other prohibition of United States law, regulation, or Executive Order of the President of the United States. The Sponsor further acknowledges and agrees that it shall have a continuing obligation during the processing of this Commitment to notify CITI promptly if it knows or has reason to believe that the representations and warranties contained herein are no longer correct. Sponsor has implemented procedures, and will consistently apply those procedures throughout the term of the Tax-Exempt Loan, to ensure the foregoing representations and warranties remain true and correct during the term of the Tax-Exempt Loan. For the purposes hereof, "OFAC List" means the list of specially designated nationals and blocked persons subject to financial sanctions that is maintained by the U.S. Treasury Department, Office of Foreign Assets Control and any other similar list maintained by the U.S. Treasury Department, Office of Foreign Assets Control pursuant to any Requirements of Law, including, without limitation, trade embargos, economic sanctions, or other prohibitions imposed by Executive Order of the President of the United States, which OFAC List is accessible through the internet website http://www.treasury.gov/ofac/downloads/t11sdn.pdf, and "Person" means an individual, partnership, limited partnership, corporation, limited liability company, business trust, joint stock company, trust, unincorporated association, joint venture, governmental authority or other entity of whatever nature.

6. Borrower's Representations. The validity of this Commitment and CITI's obligations hereunder shall at all times be subject to the accuracy and validity of all information and representations furnished by Sponsor to CITI with regard to the Tax-Exempt Loan , which shall have been and shall continue to be true and not misleading in all material respects.

7. Loan Data. All inspections, reports, appraisals, environmental studies or other data submitted to, commissioned for, conducted or produced by or for CITI are for its benefit and use and shall be the property of CITI. No right of inspection or approval contained in this Commitment shall be deemed to impose upon CITI any duty or obligation whatsoever to take any action or to notify any person with respect thereto, and no liability shall be imposed upon any such party and no warranty shall be deemed or construed to arise by reason of any inspection undertaken or approval given by any such party, its agents, employees or representatives, any such inspections and approvals being made solely for the benefit of such party. **The provisions of this paragraph shall survive the termination or expiration of this Commitment.**

8. Discretion. In any instance where the consent or approval of CITI may be given or is required, or where any determination, judgment or decision is to be rendered by CITI under this Commitment, the granting, withholding or denial of such consent or approval and the rendering of such determination, judgment or decision shall be made or exercised by CITI (or its designated representative) at its sole and exclusive option and in its sole and absolute discretion.

9. Waiver. CITI reserves the right, in its sole discretion, to waive in whole or part any of the terms, requirements and conditions in this Commitment, the Mortgage Documents, the Bond Documents or other documents referenced herein; provided, however, that such waiver shall in no event be construed to constitute a waiver of the applicable terms, requirements or conditions as they may apply in the future.

10. Successors and Assigns. Sponsor acknowledges and agrees that CITI at its option may assign or otherwise transfer the Bonds and all documents evidencing and securing the Bonds including, but not limited to, this Commitment, to other parties subsequent to the execution of this Commitment. Neither Sponsor nor Borrower may assign its rights, interest, or obligations under this Commitment without first obtaining CITI's prior written consent. This Commitment shall be binding upon the successors and permitted assigns of Borrower.

11. Governing Law. This Commitment shall be governed by and construed in accordance with the laws of the State of New York. Sponsor agrees that any legal action that may arise out of this Commitment will be commenced only in the United States District Court, Southern District of New York, or New York State Courts sitting in New York County, New York, and Sponsor hereby submits to the jurisdiction of any such court. All Mortgage Documents and Bond Documents (other than this Commitment) shall be governed by the laws of the State where the Property is situated. **The governing law election with respect to this Commitment shall survive the termination or expiration of this Commitment.**

12. WAIVER OF TRIAL BY JURY. SPONSOR AGREES NOT TO ELECT A TRIAL BY JURY WITH RESPECT TO ANY ISSUE ARISING OUT OF THIS COMMITMENT OR THE RELATIONSHIP BETWEEN BOND PURCHASER, BONDHOLDER REPRESENTATIVE AND BORROWER OR SPONSOR THAT IS TRIABLE OF RIGHT BY A JURY AND WAIVES ANY RIGHT TO TRIAL BY JURY WITH RESPECT TO SUCH ISSUE TO THE EXTENT THAT ANY SUCH RIGHT EXISTS NOW OR IN THE FUTURE. THIS WAIVER OF RIGHT TO TRIAL BY JURY IS GIVEN BY SPONSOR KNOWINGLY AND VOLUNTARILY WITH THE BENEFIT OF COMPETENT LEGAL COUNSEL AND APPLIES TO ALL ACTIONS WHETHER ARISING IN CONTRACT, TORT, EQUITY OR OTHERWISE. **THIS PROVISION SHALL SURVIVE THE TERMINATION OF EXPIRATION OF THIS COMMITMENT.**

13. Survival. The covenants, terms and conditions set forth in this Commitment shall not survive the Closing Date (unless expressly provided to the contrary). In the event of any conflict between this Commitment and the Mortgage Documents and/or the Bond Documents, the Mortgage Documents and/or the Bond Documents, as applicable, shall prevail.

14. Confidentiality The provisions of this Commitment and all of the terms and conditions contained herein are confidential and Sponsor shall not share this Commitment, or the terms and conditions contained herein, with any third party; provided however, Sponsor may show this Commitment to the Issuer and to Miami-Dade County in connection with its application for issuance of the Bonds. **This confidentiality provision shall survive the termination or expiration of this Commitment.**

15. Anti Tying Policy. CITI maintains a policy of strict compliance to the anti-tying provisions of the U.S. Bank Holding Company Act of 1956, as amended, and the regulations issued

by the Federal Reserve Board implementing the anti-tying rules (collectively, the "Anti-tying Rules"). Moreover, our credit policies provide that credit must be underwritten in a safe and sound manner and be consistent with Section 23B of the Federal Reserve Act and the requirements of federal law. Consistent with these requirements and our Anti-tying Policy:

a. The extension of commercial loans or other products or services to you by CITI or any of its subsidiaries will not be conditioned on your taking other products or services offered by CITI or any of its subsidiaries or affiliates, unless such a condition is permitted under an exception to the Anti-tying Rules.

b. CITI will not vary the price or other terms of any product or service offered by CITI or its subsidiaries on the condition that you purchase another product or service from CITI or any of its affiliates, unless CITI is authorized to do so under an exception to the Anti-tying Rules.

c. CITI will not require you to provide property or services to CITI or any affiliate of CITI as a condition to the extension of a commercial loan to you by CITI or any of its subsidiaries, unless such a requirement is reasonably required to protect the safety and soundness of the loan.

d. CITI will not require you to refrain from doing business with a competitor of CITI or any of its affiliates as a condition to receiving a commercial loan from CITI or any of its subsidiaries, unless the requirement is reasonably designed to ensure the soundness of the Loan.

[No Further Text on this Page]

If you have any questions relating to this Commitment, or if we can be of any further assistance, please do not hesitate to let us know.

Very truly yours,

CITIBANK, N.A., a national banking association

By: _____

Name: Kathy Millhouse

Title: Vice President

The undersigned hereby accepts the foregoing Commitment and agrees to be bound by the terms, requirements and conditions set forth herein.

Date: 2/4/16

**SPONSOR:**

By: _____

Name: Alberto Milo, Jr

Title: Senior V.P.

## EXHIBIT A

## COMMITMENT TERMS

## TERM SHEET

## Multifamily Rental Developments with Rent Restrictions
## New Construction

## Tax-Exempt "Back-to-Back" Loan Structure

**Liberty Square Rising Phase 1A**
**Liberty Square Rising Phase 1B**
**Liberty Square Rising Phase 2**
**Liberty Square Rising Phase 4B**
**Liberty Square Rising Phase 4C**
**Liberty Square Rising Phase 4D**

**February 2, 2016**

NOTE: This Term Sheet constitutes a brief summary of certain, but not all transaction terms and conditions. The summary that follows is subject to final credit approval.

**In connection with this Term Sheet, CITI will be acting solely as a principal and not as your agent, advisor or fiduciary. CITI has not assumed a fiduciary responsibility with respect to this Term Sheet, and nothing in this transaction or in any prior relationship between you and CITI will be deemed to create an advisory, fiduciary or agency relationship between us in respect of this Term Sheet. You should consider carefully whether you would like to engage an independent advisor to represent or otherwise advise you in connection with this Term Sheet, if you have not already done so.**

### A. PRELIMINARY LOAN TERMS

**Deal Structure:**

CITI proposes to fund a tax-exempt construction loan ("Funding Loan") to Miami-Dade Housing Finance Authority or other acceptable housing finance agency (the "Governmental Lender"). The Governmental Lender then loans the proceeds of the Funding Loan directly to the Borrower (the "Borrower Loan").

The Construction Phase is the initial phase during which funds will be advanced to Governmental Lender and loaned to Borrower (directly or through a Trustee, at Governmental Lender's discretion). Payments on the Funding Loan during the Construction Phase will be interest only

**Property:**

Liberty Square Rising Phase 1A – 216 units
Liberty Square Rising Phase 1B – 216 units
Liberty Square Rising Phase 2 – 216 units
Liberty Square Rising Phase 4B – 120 units
Liberty Square Rising Phase 4C – 120 units
Liberty Square Rising Phase 4D – 240 units

**Set-Asides:**

Phase 1A: 51% of the units (111 units) will be for tenants with income at or below 60% of AMI. The remaining units (105 units) will be public housing and covered under an annual contribution contract with HUD.

Phase 1B: 17% of the units (36 units) will be for tenants with income at or below 60% of AMI. The remaining units (180 units) will be public housing and covered under an annual contribution contract with HUD.

Phase 2: 17% of the units (36 units) will be for tenants with income at or below 60% of AMI. The remaining units (180 units) will be public housing and covered under an annual contribution contract with HUD.

Phase 4B: 90% of the units (108 units) will be for tenants with income at or below 60% of AMI. 10% of the units (12 units) will be for tenants with income at or below 50% of AMI.

Phase 4C: 20% of the units (24 units) will be for tenants with income at or below 60% of AMI. The remaining units (96 units) will be for tenants with income at or below 120% of AMI.

Phase 4D: 20% of the units (48 units) will be for tenants with income at or below 60% of AMI. The remaining units (192 units) will be for tenants with income at or below 120% of AMI.

**Borrower:** To be determined.

**Sponsor:** Affiliates of RUDG

**LIHTC Investor/ Syndicator:** If applicable, the Low Income Housing Tax Credit ("LIHTC") Investor / Syndicator, the upper tier investor(s) and, the terms and conditions of the partnership (or operating) agreement, must be acceptable to CITI in all respects including, particularly, as to the timing and conditions to funding capital contributions.

**Guarantor(s):** PRH Investments, LLC and/or other individual(s) or corporate entity acceptable to CITI in all respects. The Guarantor(s)' financial condition(s) must be acceptable to CITI in all respects. Guarantor must maintain a minimum net worth requirement of $10 million and minimum liquidity of $2 million.

**Subordinate Debt:** If applicable, the sources of subordinate debt and the subordinate loan documents must be acceptable to CITI in all respects. All subordinate debt must fund prior to Funding Loan funding unless CITI approves other arrangements.

**Loan Security:** First lien, or assignment thereof, on land and any improvements, UCC filings for fixtures; assignment of all leases and rents; and, a first priority collateral assignment of all contracts, management agreements, and other agreements and all permits relating to the Property. All income and rent restrictions will be subordinate to the CITI security instrument.

**Recourse:** The Funding Loan will be fully recourse to the Borrower and to the Guarantor(s).

**Guarantees, Construction Phase:** Completion and Repayment Guarantees are required from the Borrower and the Guarantor(s).

**Environmental Indemnity:** Borrower and Guarantor(s) will be liable for CITI's standard environmental indemnity.

**Closing:** Closing is subject to full satisfaction of CITI's standard due diligence, underwriting and credit approval processes, and the execution and delivery of all required loan documents, delivery of opinions, payment of fees and other customary requirements.

**Closing Date (est.):** To be Determined

## CONSTRUCTION PHASE

**Est. Construction Phase Loan Amount:** An amount, currently estimated to be:

| | |
|---|---|
| Liberty Square Rising Phase 1A: | $22,500,000 |
| Liberty Square Rising Phase 1B: | $21,000,000 |
| Liberty Square Rising Phase 2: | $22,000,000 |
| Liberty Square Rising Phase 4B: | $12,500,000 |
| Liberty Square Rising Phase 4C: | $16,150,000 |
| Liberty Square Rising Phase 4D: | $34,900,000 |

The loan(s) may not exceed 80% of costs covered through the Construction Phase.

**Construction Phase Term:** Twenty-four months, plus two, 6-month extension options. Fees for the extension are indicated below under "Fees & Expenses".

**Construction Phase Interest Rate:** A variable rate equal to SIFMA plus a spread of 2.50% during the Construction Phase for all Phases. Rate adjusts weekly. Currently, SIFMA is trading at approximately 0.01%. This rate does not include Issuer, Trustee, or misc. 3rd party fees (SIFMA is available at http://www.sifma.org/research/item.aspx?id=19762). Pricing is based on current market conditions and is subject to change.

**Availability:** Funding Loan proceeds will be advanced to Borrower on a "draw down" basis upon receipt of a written request from Borrower, supported by documentation acceptable to CITI. Borrower will be required to submit a loan budget worksheet with each draw request tracking all Property sources and uses of funds. Draw requests are limited to one per month.

**Loan in Balance:** The Funding Loan must remain "in balance" during the Construction Phase. "In balance" means that (1) the funds available during the Construction Phase (from the Funding Loan and all other debt and equity sources) are sufficient to complete the construction or rehabilitation of the Property and all other expenses reasonably expected to be necessary to achieve the conditions for equity and sub-debt funding; and (2) the sources available from equity and sub-debt are sufficient to pay off the Construction Phase Loan Amount.

**Amortization:** None. Payments on the Funding Loan during the Construction Phase will be interest only.

**Prepayment and Yield Maintenance:** Voluntary prepayment of Funding Loan principal amounts during the Construction Phase, including those as a result of a Borrower default, may be made without prepayment fee or penalty.

**Interest Reserve:** Calculated at the Construction Phase Interest Rate noted above, plus a cushion acceptable to CITI at time of final Credit approval. Currently, CITI is underwriting with a cushion of 1.00%. The Interest Reserve will be sized based on an analysis of the projected draw schedule for the Funding Loan during the Construction Phase.

**Budget and Contingencies:** The budget for the Construction Phase, including all budget line items, is subject to CITI approval. The budget shall include a hard cost contingency of no less than 5% of budgeted hard costs for new construction projects or, 10% for renovation projects. The budget shall include a soft cost contingency of no less than 5% of budgeted soft costs, excluding 1) soft costs incurred prior to or in connection with closing; 2) interest reserve and bank fees; 3) capitalized operating reserve deposits and other costs that may be due in connection with Construction Phase Loan pay off/stabilization for which specific sources are identified; and 4) developer fees.

**General Contractor and Bonding Requirements:** The general contractor and the form of construction contract must be acceptable to CITI. CITI will require payment and performance bonds equal to 100% of the construction contract amount. Surety issuing bonds must have an A.M. Best rating of "A/XIV" and must be acceptable to CITI in all other respects. In lieu of bonds, CITI will accept a letter of credit ("LC") equal to 10% of the initial construction contract amount. LC provider must be rated "A" or better.

**Retainage:** Construction contract will provide for retainage of 10% of each construction pay application until 50% completion and the reduced to 5% of each construction pay application until substantial completion of construction is achieved unless other arrangements have been approved by CITI. All retained amounts will be released upon final, lien-free completion of construction, as approved by CITI.

**Appraisal, Environmental, Plan & Cost Evaluation Review:** Appraisal and Plan/Cost Review reports will be commissioned and reviewed by CITI. CITI may rely upon environmental reports commissioned by Borrower if report is current (within 12 months) and CITI has been provided evidence of

acceptable E&O insurance coverage carried by Borrower's environmental consultant and a reliance letter in form acceptable to CITI. Appraisal, environmental condition and plan/cost reviews must be acceptable to CITI in all respects.

**Property Tax Abatements, Incentives:** All documentation related to any tax abatement or tax incentives must be acceptable to CITI in all respects.

**Developer Fee:** Any developer fee paid prior to Construction Phase Loan pay down shall be pre-approved by CITI in its sole discretion.

**Availability of ACCs:** If applicable, prior to closing, CITI must receive from HUD an acceptable commitment to provide the ACC required to operate the public housing units at break-even. In addition, CITI must review and approve anticipated capital funding appropriations connected to the ACCs.

**Public Housing:** Since the seller/landlord of the Property is the Miami-Dade Public Housing and Community Development ("MDPHCD") and since the Property will continue to be operated in accordance with public housing guidelines with operating subsidies coming from HUD to MDPHCD and in turn to the Borrower, Borrower will be required to fund reserves as noted below. In addition, the Regulatory & Operating Agreement ("R&O"), Land Use Restriction Agreement, ACC, and other documents relative to the public housing nature of the Property are subject to CITI's full review and approval.

**ACC Reserve, Operating Reserve:** CITI will require an ACC & Operating Reserve totaling the higher of 1) a minimum of six months of operating expenses or 2) the ACC & Operating Reserve required by the LIHTC equity investor. Changes to the amount of ACC units or other factors related to the ACC units may require additions to the ACC reserve.

**FEES**

**Due Diligence Deposit:** $25,000, per phase, which amount shall be non-refundable and payable upon acceptance of a preliminary application. This fee is applicable toward third party reports, loan underwriting and processing (in the minimum amount of $5,000), and CITI's initial legal fees. Applicant is responsible for the payment of all reasonable costs incurred in connection with the underwriting, processing and/or closing of the Funding Loan (including CITI legal fees).

**Origination Fee:** A non-refundable Origination Fee equal to 1.0% of the Construction Phase Loan Amount (the "Origination Fee") shall be earned in full by CITI upon the closing of the Funding Loan, and is due and payable at that time.

**Construction Phase Extension Fee:** An extension fee equal to 0.25% of the Construction Phase Loan Amount is payable prior to the first, six month extension and an extension fee equal to 0.50% of the Construction Phase Loan Amount is payable prior to the second, six month extension.

| | |
|---|---|
| **CITI Legal Fees (est):** | Estimated fees of CITI's counsel for the initial closing is $65,000 per phase and assumes no significant negotiation over CITI's form documents. A portion of the Application Fee will be applied to initial CITI counsel fees. Applicant agrees to make a supplemental deposit to cover CITI's counsel fees once the drafting of legal documentation commences, if requested. |
| **Course of Construction Inspections (*est*):** | TBD |
| **Other Costs:** | Borrower is responsible for costs of survey, title insurance policy, hazard insurance policy, tax escrow fee and all other normal and customary loan closing expenses. |

This Term Sheet is provided for information purposes and is intended for your use only. Except in those jurisdictions where it is impermissible to make such a statement, CITI hereby informs you that this Term Sheet should not be considered as a solicitation or offer to sell or purchase any securities or other financial products. This Term Sheet does not constitute investment advice and does not purport to identify all risks or material considerations which should be considered when undertaking a transaction. CITI makes no recommendation as to the suitability of any of the products or transactions mentioned. Any trading or investment decisions you take are in reliance on your own analysis and judgment and/or that of your advisors and not in reliance on us.

CITI often acts as (i) a market maker; (ii) an issuer of financial instruments and other products; and (iii) trades as principal in many different financial instruments and other products, and can be expected to perform or seek to perform investment banking and other services for the issuer of such financial instruments or other products. The author of this Term Sheet may have discussed the information contained herein with others within or outside CITI and the author and/or such other CITI personnel may have already acted on the basis of this information (including by trading for CITI's proprietary accounts or communicating the information contained herein to other customers of CITI). CITI, CITI's personnel (including those with whom the author may have consulted in the preparation of this Term Sheet), and other customers of CITI may be long or short the financial instruments or other products referred to in this Term Sheet, may have acquired such positions at prices and market conditions that are no longer available, and may have interests different from or adverse to your interests.

CITI is required to obtain, verify and record certain information that identifies each entity that enters into a formal business relationship with CITI. CITI will ask for your complete name, street address, and taxpayer ID number. CITI may also request corporate formation documents, or other forms of identification, to verify information provided.

Although Citibank, N.A. (together with its subsidiaries and branches worldwide, "Citibank") is an affiliate of CITI, you should be aware that none of the financial instruments or other products mentioned in this term sheet (unless expressly stated otherwise) are (i) insured by the Federal Deposit Insurance Corporation or any other governmental authority, or (ii) deposits or other obligations of, or guaranteed by, Citibank or any other insured depository institution.

**IRS Circular 230 Disclosure**: CITI and its employees are not in the business of providing, and do not provide, tax or legal advice to any taxpayer outside of CITI. Any statements in this term sheet regarding tax matters were not intended or written to be used, and cannot be used or relied upon, by any taxpayer for the purpose of avoiding tax penalties. Any such taxpayer should seek advice based on the taxpayer's particular circumstances from an independent tax advisor.

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## EXHIBIT B

### Initial Due Diligence/Underwriting Completed

1. Review of proposed income and expense statements (budget).
2. Review of estimated sources and uses statement.
3. Inspection of proposed site and sub market.
4. Review of CITI's servicing portfolio to determine comparability of rents and expenses
5. Review of financial information of Sponsor, Borrower and principals of each.

citi

Liberty Square RFP — Preliminary Review

| | | | IA | IB | 2 | 4B | 4C | 4D |
|---|---|---|---|---|---|---|---|---|
| | | Preliminary NOI | 801,000 | 381,754 | 381,754 | 377,408 | 1,125,083 | 2,383,224 |
| | | Amort | 35 | 35 | 35 | 35 | 35 | 35 |
| | | Assumed Rate | 4.74% | 4.74% | 4.74% | 4.74% | 4.74% | 4.74% |
| | | | 1.15 | 1.15 | 1.15 | 1.15 | 1.15 | 1.15 |
| | | Max Perm Loan | $11,888,594 | $5,666,065 | $5,666,065 | $5,601,561 | $16,698,696 | $35,372,264 |
| | | **TOTAL** | | | | | | |
| Request - Perm* | | **78,450,000** | **10,750,000** | **5,650,000** | **5,650,000** | **5,350,000** | **16,150,000** | **34,900,000** |
| Per Unit | | | 49,769 | 26,157 | 26,157 | 44,583 | 134,583 | 145,417 |
| Request - Constr | | **129,050,000** | **22,500,000** | **21,000,000** | **22,000,000** | **12,500,000** | **16,150,000** | **34,900,000** |
| Per Unit | | | 104,167 | 97,222 | 101,852 | 104,167 | 134,583 | 145,417 |
| **Total Units** | **1,128** | | **216** | **216** | **216** | **120** | **120** | **240** |
| PHA | 465 | | 105 | 180 | 180 | | | |
| 50% | 84 | | | | | 12 | 24 | 48 |
| 60% | 291 | | 111 | 36 | 36 | 108 | | |
| 120% | 288 | | | | | | 96 | 192 |

**Sources:**

| | | | | | | |
|---|---|---|---|---|---|---|
| Tax Credit Equity | $ 20,202,085 | $ 19,806,955 | $ 19,455,019 | $ 11,007,480 | $ 2,218,912 | $ 3,956,206 |
| Tax-Exempt Bonds | 10,750,000 | 5,650,000 | 5,650,000 | 5,350,000 | 16,150,000 | 34,900,000 |
| Sub Debt | 13,900,000 | 19,867,800 | 18,087,816 | 8,121,100 | 5,400,000 | 4,700,000 |
| Def Dev Fee | 746,456 | 864,304 | 840,411 | 562,661 | 1,828,316 | 1,684,845 |
| Total | $ 45,598,541 | $ 46,189,059 | $ 44,033,246 | $ 25,041,241 | $ 25,597,228 | $ 45,241,051 |

**Uses:**

| | | | | | | |
|---|---|---|---|---|---|---|
| Ground Lease Pmt | $ 540,000 | $ 540,000 | $ 540,000 | $ 300,000 | $ 300,000 | $ 600,000 |
| Construction Costs | 26,544,000 | 26,944,000 | 25,544,000 | 14,080,000 | 14,080,000 | 26,160,000 |
| GC Fees | 3,716,160 | 3,772,160 | 3,576,160 | 1,971,200 | 1,971,200 | 3,662,400 |
| Hard Cost Contngcy | 1,513,008 | 1,535,808 | 1,456,008 | 802,560 | 802,560 | 1,491,120 |
| Soft Costs | 6,553,362 | 6,588,158 | 6,436,998 | 4,170,226 | 4,681,303 | 6,695,835 |
| Developer Fees | 6,732,011 | 6,808,933 | 6,480,080 | 3,717,255 | 3,762,165 | 6,631,697 |
| Total | $ 45,598,541 | $ 46,189,059 | $ 44,033,246 | $ 25,041,241 | $ 25,597,228 | $ 45,241,051 |

* CITI is only providing construction financing. However, CITI has assumed, for take-out purposes, the parameters noted above for sizing the permanent loans.

RAYMOND JAMES

February 2, 2016

Mr. Alberto Milo Jr.
Vice President
RUDG, LLC
315 S. Biscayne Blvd.
Miami, FL 33146
(305) 460-9900

Re: Partnership: To be determined Single Purpose Entity, an affiliate of RUDG, LLC
Property Name: Liberty Square Rising - Phase 4D
City/State: Miami, Florida

Dear Mr. Milo:

This letter will confirm our agreement ("Agreement") whereby Raymond James Tax Credit Funds, Inc. ("RJTCF") shall attempt to effect a closing ("Closing") of an investment by a Fund sponsored by RJTCF (the "RJTCF Fund") in the above named partnership ("Partnership") on the assumptions, terms, and conditions contained in this letter, or such other assumptions, terms and conditions as are acceptable to you, RJTCF and the RJTCF Fund.

CURRENT ASSUMPTIONS:

## I. DESCRIPTION OF THE PROJECT AND THE INVESTMENT.

### A. Project:

1. New Construction
2. Units: 240
3. Set-aside Requirements: 48 units at 50% or less of median income and 192 units at 120% or less of median income
4. Rental Assistance: None
5. Management Company: TRG Management Company, LLP
6. General Contractor: Fortune Construction Company, LLP.

### B. Tax Credit Information:

1. Reserved or Allocated Credits: $353,268.
2. Estimated Partnership Annual Credits: $353,268.
3. RJTCF Fund's Share of Partnership Annual Credits: 99.99%
4. Estimated RJTCF Fund Annual Credits: $353,233.
5. Applicable Fraction: 20% with 130% basis boost.
6. Applicable Percentage: 3.21% (floating).
7. First Credit Year: 2021.

C. **Equity Investment:**

1. Estimated $1.12 per dollar of the RJTCF Fund Total Credits ("Credit Price"), subject to market conditions and availability of funds.
2. Estimated RJTCF Fund Total Capital: $3,956,206.
Note that actual contributions are based on actual credits delivered. If actual RJTCF Fund Total Credits are less than the estimated amount, RJTCF Fund Total Capital will be reduced by the shortfall times the Credit Price. If actual RJTCF Fund Total Credits are greater than the estimated amount ("Excess Credits") and such Excess Credits are not attributable to an additional reservation of Credits, then the RJTCF Fund Total Capital will be increased by an amount equal to the Excess Credits times the Credit Price, but RJTCF Fund Total Capital shall not exceed 105% of the Estimated RJTCF Fund Total Capital except as provided below. The RJTCF Fund will specify the terms, if any, under which it will purchase any Excess Credits attributable to an additional reservation of Credits, and/or those that would otherwise cause capital contributions to exceed 105% of the Estimated Total Capital. If those terms provide for a credit price less than the Credit Price, the General Partners can accept or reject those terms. Any Excess Credits that the RJTCF Fund is unwilling to buy or that the General Partners are unwilling to sell at the price specified by the RJTCF Fund shall be allocated to the General Partners.

3. Installment Payment of Estimated RJTCF Fund Total Capital:
   a. $1,186,862 (30%) at Closing, of which $50,000.00 shall be paid directly to RJTCF in payment of its due diligence fee
   b. $1,100,000 (28%) at later of April 1, 2021 or 100% Construction Completion.
   d. $1,669,344 (42%) at later of July 1, 2021 or Stabilized Operations ("Stabilization Capital Contribution"), of which $100,000 may be held back and paid when all required tax filing information and Forms 8609 are received and audited financials for the year of Breakeven Operations are available.

   All payments will be subject to various deliveries required by the RJTCF Fund as described in the definitive documents, including without limitation, updates of representations and warranties previously given to the RJTCF Fund.

4. Timing Adjusters:
   The capital contribution of the RJTCF Fund shall be reduced by 55% of the shortfall between the Credits actually delivered and the Credits estimated to be delivered in 2021 and 2022. Currently, it is estimated that the Partnership will deliver $320,149 (90.63%) of Credits in 2021 and the maximum annual credit in 2022. The capital contribution of the RJTCF Fund shall be adjusted if and to the extent that the RJTCF Fund is admitted after Credits have begun to run. It is intended that the adjustments and/or payments required by this Section are to compensate the Investor Limited Partner for the delay in the receipt of Tax Credit

and the Lease-Up Adjuster may be reduced if the Investor Limited Partner determines in the exercise of its sole and absolute discretion that the full Lease-Up Adjuster is not required to maintain the expected return on investment of its members.

In the event that the actual Credits with respect to the first Credit Year are more than the Credits projected for such years, then the capital contribution of the RJTCF Fund to the Partnership shall be increased by an amount (the "Upward Timing Adjustment") equal to 35% of such excess; provided, that any such increase is subject to the overall limitation that RJTCF Fund Total Capital cannot exceed 105% of estimated RJTCF Total Capital without RJTCF Fund consent. The Upward Timing Adjustment shall be made and applied to increase the Stabilization Capital Contribution. It is understood and agreed that the Upward Timing Adjustment is intended to address any acceleration in the delivery of the first year of the Credit Period from the projected Credit amounts during such year where the total projected Credits for the entire Credit Period is not affected and that the Upward Timing Adjustment may be decreased if the RJTCF Fund determines in the exercise of its sole and absolute discretion that a smaller Upward Timing Adjustment must be paid in order to maintain the expected return on investment of its investors.

D. **Allocation of Distributions:**

1. Asset Management Fee: The RJTCF Fund shall receive an annual asset management fee of $5,000, increasing at 3.00% per year prior to any cash distributions. The Asset Management Fee shall begin once the Project has been placed in service and shall be prorated for the year that the Project is placed in service. The fee shall be cumulative to the extent unpaid in any year and shall be payable from sale proceeds of the property to the extent not previously paid. The fee must be paid in order for the Partnership to remain Current; thus, if cash flow is not sufficient to pay the fee, it shall be paid from available reserves or from loans made by the General Partner or Guarantors under the Operating Deficit Guaranty.

2. Cash From Operations: Cash available to be distributed after paying Partnership expenses (including the Asset Management Fee), funding the Replacement Reserve, and maintaining working capital reserves. Cash From Operations shall be allocated in the following order:

   a. To the RJTCF Fund to the extent of any amounts owed, including amounts to be paid under Tax Credit Guaranty;
   b. To replenish the Operating Reserve if the balance therein is less than the Operating Reserve Minimum;
   c. To the Developer to pay any unpaid Deferred Development Fee;
   d. To the General Partners or Guarantors to repay any loans due under the Operating Deficit Guaranty;
   e. 89.99% to the General Partners as an incentive management fee;
   f. The balance 0.01% to the General Partners, and 99.99% to the RJTCF Fund.

In all events, the RJTCF Fund must receive at least 10% of the amount available for distributions to partners and payment of incentive management fees to the General Partners. Available cash from operations will be distributed biannually.

3. CashFromSaleorRefinancing: Proceeds available after paying all liabilities and establishing any required reserves shall be allocated in accordance with capital accounts, in the following order:

   a. To the RJTCF Fund to the extent of any amounts owed, including unpaid amounts under Tax Credit Guaranty;
   b. To pay any accrued but unpaid Asset Management Fee;
   c. To the Developer to pay any unpaid Deferred Development Fee;
   d. To the General Partners or Guarantors to repay any loans due under the Operating Deficit Guaranty;
   e. The balance, 90% to the General Partners and 10% to the RJTCF Fund

The distribution of Cash From Sale or Refinancing shall be subject to the requirement of the Internal Revenue Code that liquidating distributions be made in accordance with capital accounts.

E. **Allocations of Profits and Losses:**

1. Operating Profits and Losses: 99.99% RJTCF Fund; 0.01% General Partner.
2. Credits and Depreciation: 99.99% RJTCF Fund; 0.01% General Partner.
3. Gain or Loss on Sale: So as to bring the capital accounts into the ratios that will allow Proceeds of Sale to be distributed 90% to the General Partners and 10% to the RJTCF Fund, to the extent possible given the requirements of the Internal Revenue Code and the Treasury Regulations.
4. Operating Income and Losses Prior to Credit Delivery: At the discretion of the RJTCF Fund, Operating Income and Losses attributable to the period prior to the start of Credit delivery may be specially allocated to the General Partners.

F. **Developer and Development Fee:**

1. Developer: An affiliate of RUDG, LLC
2. Estimated Development Fee: An amount not to exceed the maximum allowable development fee pursuant to FHFC and HUD guidelines.
3. Development Fee pay-ins will be negotiated prior to closing.

   If necessary, part of the development fee, not to exceed $2,000,000, will be deferred beyond the date of the RJTCF Fund's final capital contribution installment, without interest, and shall be paid in accordance with the terms of allocations of Cash From Operations and Cash from Sale or Refinancing or, if not paid within 14 years after placed-in-service date, from General Partners' capital as described below. Any development fee that cannot be paid by the time of the final capital contribution of the RJTCF Fund or deferred in accordance with the foregoing limitation shall be paid as an excess cost under the Completion Guaranty.
4. Development Fee shall be pledged to secure the obligations of the General Partner and the Guarantors.

G. **Reserves:**

1. Replacement Reserve: $72,000 capitalized at Closing and $72,000 per year ($300 per unit) beginning at the earlier of six months after completion of construction or the first month of Stabilized Operations, increased by 3% per year thereafter. In the aggregate, no more than $20,000 will be withdrawn from the Replacement Reserve in any calendar year without the approval of the RJTCF Fund.
2. Lease-up Reserve: $100,000, to be funded at or prior to Construction Completion. The Lease-up Reserve shall be used to fund operating deficits prior to the Stabilization Capital Contribution. To the extent that funds remain in the Lease-Up Reserve after such contribution, these funds will be transferred to the Operating Reserve to meet the Operating Reserve Requirement and shall be held therein. If such transfer would cause the amount of the Operating Reserve to be greater than the amount otherwise required hereunder to be held in the Operating Reserve, then such excess amount may be used instead to pay deferred Development Fee (except to the extent that the Agency requires a minimum deferred Development Fee or there is no deferred Development Fee, in which case such amount shall remain in the Operating Reserve). To the extent the balance in the Operating Reserve exceeds the amount otherwise required hereunder at the end of the Operating Deficit Period, such excess shall be released from the reserve and distributed as Cash From Operations.
3. Operating Reserve: $918,734, to be funded into the operating reserve account (the "OperatingReserveAccount") at the time of the funding of the Stabilization Capital Contribution. Such Operating Reserve Account shall be maintained for the duration of the Compliance Period (after which, funds on deposit may be released and distributed as Net Cash Flow) and shall be used exclusively to pay for Operating Deficits incurred by the Partnership after the date of the Stabilization Capital Contribution; provided however, that all withdrawals from the Operating Reserve Account that would cause aggregate draws in any one fiscal year to exceed $10,000.00 shall be made only with the Consent of the RJTCF Fund, which shall not be unreasonably withheld, delayed or conditioned. Operating Deficits shall be funded 50% from the Operating Reserve and 50% under the Operating Deficit Guaranty; provided, that, notwithstanding anything to the contrary contained herein, the Operating Reserve Account may not be drawn down below $450,000 ("the Operating Reserve Minimum") unless the General Partners have fully funded their obligations under the Operating Deficit Guaranty. Operating Deficits shall be funded 100% from the Operating Reserve once the General Partners have fully funded their obligations under the Operating Deficit Guaranty. Should the balance in the Operating Reserve Account fall below the Operating Reserve Minimum, Net Cash Flow on each Payment Date will be deposited in the Operating Reserve Account to maintain such minimum balance.
5. All reserves shall be established with a lending institution acceptable to (the RJTCF Fund) and shall be subject to withdrawal limitations determined by the RJTCF Fund to be appropriate to ensure the proper use of such funds.

I. **Obligations of the Guarantors:**

1. Guarantors: The General Partners and PRH Investments, LLC, subject to the approval of RJTCF.

2. Guarantors shall collectively have a minimum net worth of $10,000,000 ($2,000,000 liquid). Distributions from entity guarantors shall be restricted to the extent that any distribution would reduce the net worth of the Guarantors below the prescribed minimums.

3. Guarantors unconditionally guarantee that the General Partners will perform all of their obligations under the partnership agreement, including, without limitation, guaranties, repurchase obligations and the obligation to make a capital contribution as and when required to pay deferred development fee and that the developer will perform all of their obligations under the Development Agreement.

J. **Total Depreciable Basis: $42,327,937.**

1. $38,112,573 (90.04%) - 27.5 year depreciable property
2. $3,161,523 (7.47%) - 15 year depreciable property
3. $1,053,841 (2.49%) - 5 year depreciable property

K. **INTENTIONALLY DELETED.**

L. **Definitive Documents**

All of the terms and conditions of the investment shall be set forth in definitive documents to be negotiated by the parties including but not limited to an Amended and Restated Operating Agreement, together with certain closing exhibits (including various Guaranty Agreements). Such documents shall be consistent with the terms and conditions set forth in this letter with such changes as the parties may agree are appropriate. Once executed, the definitive documents shall supersede this letter, which shall be of no further force or effect. RJTCF will begin preparation of the definitive documents upon the completion of our due diligence to our satisfaction, as determined in our sole discretion.

II. **INTENTIONALLY DELTED**

III. **THE RJTCF FUND EXIT RIGHTS**

The RJTCF Fund shall have the right to require the General Partners to acquire its interest after the end of the compliance period for a price equal to the amount the RJTCF Fund would receive if the Partnership sold the Project at fair market value, paid its debts and distributed the remaining assets in accordance with the provisions relating to distribution of sales proceeds. If the General Partners fail to acquire the RJTCF Fund's interest, then the RJTCF Fund shall have the right, without the concurrence of the General Partners, to order a sale of the Project.

IV. **OTHER ASSUMPTIONS TO CLOSING**

1. Prior to Closing, there shall have been no changes in tax laws or Treasury pronouncements, or changes in interpretations of existing tax issues that would materially

and adversely affect this investment.

2. In the event an investment in the Partnership requires HUD Previous Participation Certification (HUD Form 2530), the RJTCF Fund and its investor members are willing and able to request and obtain HUD 2530 approval in accordance with the filing requirements promulgated by HUD.
3. RJTCF and the RJTCF Fund's review and approval in its sole discretion of all terms and conditions of the investment, due diligence materials, including the construction and permanent loan commitments, proposed extended use agreement, real estate, plans and specifications, market study (including any additional market studies determined by the RJTCF Fund and the fund to be necessary - at the Partnership's expense), basis for the Credits, operating budgets, construction and lease-up budgets, current financial statements of the General Partners, other guarantors and their affiliates, verification of background information to be provided by the General Partners and their affiliates, and references to be provided by the General Partners.
4. During underwriting and due diligence, RJTCF will review the rental assistance agreement and market conditions, and may in its sole discretion determine that a Rental Assistance Transition Reserve or Rental Assistance Loss Guarantee be required as a requirement of Closing.

## V. TERM

The initial term of this Agreement shall be for a period of 48 months from the date of this letter, with a closing (Closing Date) no later than February 1, 2020 providing that RJTCF may terminate this Agreement by giving at least 10 days written notice if it determines, in the exercise of its sole discretion that the conditions to closing are unlikely to be met. RJTCF may extend the term of this Agreement up to 90 days beyond the initial term and both parties can agree in writing to an extension beyond that date. If due diligence activities and negotiation of definitive documents continue beyond termination of this Agreement, the parties shall not be bound hereunder, but only to the extent provided in definitive documents or other written agreements that are actually executed and delivered.

## VI. EXCLUSIVITY

You acknowledge that the RJTCF Fund will expend significant effort and expense, and may forego other investment opportunities, in connection with its best efforts to effect a Closing. You agree that you will not solicit or entertain any offers by other parties to acquire an equity interest in the Partnership during the Term of this Agreement. You agree to pay the RJTCF Fund up to a maximum of $50,000, for actual 3rd party due diligence costs incurred regardless of whether or not the Investment closes, unless such failure to close was due to RJTCF inability to obtain Investment Committee or Investor approval.

The Partnership must provide at its expense a legal opinion acceptable to RJTCF. If required by an Investor in connection with its admission to the RJTCF Fund subsequent to the Closing of the Investment, such opinion must be updated and reissued at Partnership expense.

## VII. DUE DILIGENCE FEES

At the Closing, the Partnership shall pay $50,000 or greater negotiated amount to the RJTCF Fund for the costs associated with the due diligence process and preparation of Partnership documents and legal opinions. A higher amount may be appropriate, for example, if the RJTCF Fund undertakes significant work to obtain the title policy, close complicated financings, etc. Such additional charges are subject to negotiation and no amount greater than $50,000 will be incurred or due to the RJTCF Fund

from the Partnership without your agreement.

## VIII. INTENTIONALLY DELETED

## IX. CONFIDENTIALITY

This letter is delivered to you with the understanding that neither it nor its substance shall be disclosed to any third party except those who are in a confidential relationship with you, or where the same is required by law. It is understood this letter will be submitted as part of a response to a request for applications and may be made public record.

## X. ACCEPTANCE

If these terms and conditions are acceptable to you, please sign and return one copy of this memorandum. If not accepted by March 1, 2016 this offer shall terminate.

By acceptance of this letter, you authorize Raymond James Tax Credit Funds, Inc. to make any credit inquiries that we may deem necessary as part of our underwriting process. These credit inquiries may be performed on the General Partners, Guarantors, or any significant business operation of General Partners or Guarantors. This authorization also applies to follow-up credit inquiries that we may deem necessary after our admission to the Partnership.

For more than 25 years Raymond James Tax Credit Funds and our affiliates have been involved with the development of affordable housing. We have provided equity for more than 1,200 properties nationwide. We look forward to working with you.

Sincerely,

Darryl Seavey
Managing Director Northeast Region
Raymond James Tax Credit Funds, Inc.

Accepted:

By: _____ General Partner

2/4/16
Date

## SOURCES AND APPLICATIONS OF FUNDS & CALCULATION OF LOW INCOME HOUSING TAX CREDIT

Date: 2/2/2016
Property Name: Liberty Square Rising 4d
Location (City/State): Miami, FL

Partnership Name: Partnership Name
Total # of Units: 240

| Sources of Funds | | Type | Rate | Fixed? | Term | Amort. Pd | Payments? | Int. Only? | Annual Debt Service |
|---|---|---|---|---|---|---|---|---|---|
| 1st Mortgage Loan | 34,900,000 | bond | 4.74% | Y | 15 | 35 | Y | N | 2,044,700 |
| 2nd Mortgage Loan | 3,000,000 | home | 0.00% | Y | 30 | 30 | Y | N | Soft Debt |
| 3rd Mortgage Loan | 1,700,000 | Surtax | 1.00% | 0 | 30 | 30 | Y | Y | 17,000 |
| 4th Mortgage Loan | 0 | Surtax | 1.00% | 0 | 30 | 30 | Y | Y | 0 |
| 5th Mortgage Loan | 0 | 0 | 0.00% | 0 | 30 | 30 | Y | N | 0 |
| 6th Mortgage Loan | 0 | 0 | 0.00% | 0 | 30 | 30 | Y | N | 0 |
| 0 | 0 | | | | | | | | |
| 0 | 0 | | | | | | | | |
| Income from Operations | 0 | | | | | | | | |
| Reserves Used (Max Allowed: 0) | 0 | | | | | | | | |
| Deferred Fee | 1,684,846 | | | | | | | | |
| General Partners' Capital | 0 | | | | | | | | |
| Raymond James Capital | 3,956,206 | | | | | | | | |
| Total Available Funds | 45,241,052 | | | | | | | | |

| Years of Cash Flow | 12 | |
|---|---|---|
| Calculated Max Deferred Fee | | |
| 2/3/7 | 3/3/5 | |
| 6,491,361 | 10,151,822 | |
| Development Fee Held Back | | 4,631,697 |
| Max Deferred Fee | | 1,684,846 |
| Net Development Fee Held Back | | 2,946,851 |
| % of RJ Capital | | 74.49% |

| | State | Federal | | State | Federal |
|---|---|---|---|---|---|
| Historic Tax Credit Eligible Basis | 0 | 0 | Energy Credit Basis | - | 0 |
| Applicable Percentage | 25% | 20% | Applicable Percentage | 40% | 30% |
| Cap on State Historic Credits | 0 | | | | |
| Total Historic Credits | 0 | 0 | Total Energy Credits | 0 | 0 |
| LP Share of HTC | 0.00% | 0.00% | LP Share of Energy C | 0.00% | 0.00% |
| Total LP HTC | 0 | 0 | Total LP Energy Crec | 0 | 0 |
| Price Per Credit | 0.00 | 0.00 | Price per Credit | 0.00 | 0.00 |
| Capital for Historic Credits | 0 | 0 | Capital for Energy Cr | 0 | 0 |

| Application of Funds | | | Tax Cr Eligible Acquisition Basis | Tax Cr Eligible New Rehab Basis | Non-credit elig. But depreciable | Non-credit elig. Not depreciable | Amortizable Expenses | Total |
|---|---|---|---|---|---|---|---|---|
| | | | | | | | | 0 |
| Land | | 600,000 | | | | 600,000 | | 600,000 |
| Construction Costs | | 30,008,423 | | 30,008,423 | 0 | 0 | | 30,008,423 |
| Site Work | | 0 | | 0 | 0 | 0 | | 0 |
| Personal Property | | 0 | | 0 | 0 | 0 | | 0 |
| Soft Costs | | 5,419,078 | 0 | 4,196,697 | 0 | 1,062,440 | 159,941 | 5,419,078 |
| Reserves | | 1,090,734 | | | 0 | 1,090,734 | | 1,090,734 |
| Sub-Total Costs | | 37,118,235 | 0 | 34,205,120 | 0 | 2,753,174 | 159,941 | 37,118,235 |
| Development Fee | 17.87% | 6,631,697 | 0 | 6,631,697 | 0 | 0 | | 6,631,697 |
| Contingency Costs | 5.00% | 1,491,120 | | 1,491,120 | 0 | 0 | | 1,491,120 |
| Total Applications of Funds | | 45,241,052 | 0 | 42,327,937 | 0 | 2,753,174 | 159,941 | 45,241,052 |
| Depreciable Basis | | | 0 | 42,327,937 | 0 | 42,327,937 | | |

| LOW INCOME HOUSING TAX CREDIT | Federal Credit: Acquisition Basis | Federal Credit: Rehab/New Basis | | State Credits: Rehab/New Basis | |
|---|---|---|---|---|---|
| Eligible Basis | 0 | 42,327,937 | | 42,327,937 | |
| Applicable Fraction | 20% | 20.00% | | 20% | |
| Qualified Basis | 0 | 8,465,587 | | 8,465,587 | |
| Qualified Census Tract Adjustment | 100% | 130% | | 100.0% | |
| Adjusted Qualified Basis | 0 | 11,005,264 | | 8,465,587 | |
| Applicable Percentage | 3.21% | 3.21% | | 0.0% | |
| Calculated Maximum Annual Credit | 0 | 353,269 | 353,269 | 0 | |
| Annual Credit Reserved | 0 | 353,268 | 353,268 | 0 | |
| Lesser of Calculated or Reserved Annual Credit | 0 | 353,268 | 353,268 | 0 | |
| Raymond James's Share of Total Annual Credit | 99.99% | 353,233 | | 0 | 99.99% |
| Raymond James Payment Factor | | 11.2000 | | 0.00 | |
| Total Raymond James Capital Contribution | | 3,956,206 | | 0 | 3,956,206 |

| Reserved per year | 0 |
|---|---|
| Credit Delivery | |
| 2020 | 0 |
| 2021 | 0 |
| 2022 | 0 |
| 2023 | 0 |
| 2024 | 0 |
| 2025 | 0 |
| 2026 | 0 |
| 2027 | 0 |
| 2028 | 0 |
| 2029 | 0 |
| 2030 | 0 |
| 2031 | 0 |
| 2032 | 0 |
| 2033 | 0 |
| Total | 0 |

Are the State Credits Transferrable? N

State Credit Price 0.000
Years of State Credits 10

First Year of Credits 2021

3532680

| 0.00% 40 Year Life | 90.04% 27.5 Year Life | 0.00% 20 Year Life | 7.47% 15 Year life | 0.00% 9 Year Life | 2.49% 5 Year life | 0.00% Accelerated Year One | 100.00% Total Depreciation |
|---|---|---|---|---|---|---|---|
| 0 | 38,112,573 | 0 | 3,161,523 | 0 | 1,053,841 | 0 | 42,327,937 |

**SCHEDULE A**

**DETAILED COST BUDGET** **Liberty Square Rising 4d**

2/2/2016

| COST ITEMS | TOTAL COST | Acquisition ELIGIBLE | New/Rehab ELIGIBLE | NON-ELIGIBLE | DEPRECIABLE | AMORTIZABLE | NON-DEPRECIABLE |
|---|---|---|---|---|---|---|---|
| **Soft Costs** | **$5,419,078** | **$0** | **$4,196,697** | **$1,222,381** | **$4,196,697** | **$159,941** | **$1,062,440** |
| Accounting | $50,000 | | $50,000 | | $50,000 | | |
| Appraisal | $7,500 | | $7,500 | | $7,500 | | |
| Architectural Design | $720,000 | | $720,000 | | $720,000 | | |
| Architectural Supervision | $25,000 | | $25,000 | | $25,000 | | |
| Broker Fee/Sales Commision | $0 | | $0 | | $0 | | |
| Construction | $2,024,980 | | $1,538,480 | | $1,538,480 | | [illegible] |
| Construction Loan Fees | $1,093,480 | | $606,980 | [illegible] | $606,980 | | [illegible] |
| Construction Interest | $500,000 | | $500,000 | | $500,000 | | |
| Construction Monitoring | $431,500 | | $431,500 | | $431,500 | | |
| Taxes during Construction | $0 | | $0 | | $0 | | |
| Cost Certification | $0 | | | $0 | $0 | | |
| Engineering | $0 | | $0 | | $0 | | |
| Impact Fees | $0 | | $0 | | $0 | | |
| Insurance | $308,170 | | $308,170 | | $308,170 | | |
| Legal Fees | $180,000 | | $112,500 | $67,500 | $112,500 | | [illegible] |
| Market Study | $7,500 | | $7,500 | | $7,500 | | |
| Marketing (Rent-up Costs) | $50,000 | | | $50,000 | | | $50,000 |
| Monitoring Fees | $0 | | | $0 | | | $0 |
| Organizational Fees | $0 | | | $0 | | $0 | |
| Permanent Loan Fees | $0 | | | $0 | | $0 | |
| Permits | $261,600 | | $261,600 | | $261,600 | | |
| Phase I Environmental | $10,000 | | $10,000 | | $10,000 | | |
| RJTCF Underwriting Fee | $50,000 | | | $50,000 | | | $50,000 |
| Soft Cost Contingency | $194,325 | | $157,947 | $36,378 | [illegible] | | $36,378 |
| Soil Tests | $0 | | $0 | | $0 | | |
| Survey | $10,000 | | $10,000 | | $10,000 | | |
| Syndication Costs | $0 | | | $0 | | | $0 |
| Tap Fees | $288,000 | | $288,000 | | $288,000 | | |
| Tax Credit Fees | $159,941 | | | $159,941 | | $159,941 | |
| Tax Opinion | $0 | | | $0 | | | $0 |
| **Tenant Relocation** | **$0** | **$0** | **$0** | **$0** | **$0** | **$0** | **$0** |
| Permanent | $0 | | | $0 | | | $0 |
| Temporary | $0 | | $0 | | $0 | | |
| Title and Recording | $196,200 | | [illegible] | $196,200 | [illegible] | | $196,200 |
| security | $500,000 | | $500,000 | | $500,000 | | |
| ffe | $200,000 | | $200,000 | | $200,000 | | |
| <Other Eligible Cost> | $0 | | $0 | | $0 | | |
| <Other Non-Eligible Cost> | $0 | | | $0 | | | $0 |
| community relation | $100,000 | | | $100,000 | | | $100,000 |
| escrow | $75,862 | | | $75,862 | | | $75,862 |
| **Acquisition Costs** | **$600,000** | **$0** | **$0** | **$600,000** | **$0** | **$0** | **$600,000** |
| Land | $600,000 | | | $600,000 | | | $600,000 |
| Reserves | $0 | | | $0 | | | $0 |
| Building | $0 | $0 | | | $0 | | |
| **Construction** | **$31,499,543** | **$0** | **$31,499,543** | **$0** | **$31,499,543** | **$0** | **$0** |
| Construction New (On-Site) | $26,160,000 | | $26,160,000 | | $26,160,000 | | |
| Construction Rehab (On-Site) | $0 | | $0 | | $0 | | |
| Construction (Off-Site) | $0 | | | $0 | | | |
| Construction Contingency | $1,491,120 | | $1,491,120 | | $1,491,120 | | |
| Demolition | $0 | | | $0 | | | $0 |
| Letter of Credit/Performance Bond | $186,023 | | $186,023 | | $186,023 | | |
| General Contractor Overhead | $1,569,600 | | $1,569,600 | | $1,569,600 | | |
| General Contractor Profit | $1,569,600 | | $1,569,600 | | $1,569,600 | | |
| General Requirements | $523,200 | | $523,200 | | $523,200 | | |
| **Site Work** | **$0** | **$0** | **$0** | **$0** | **$0** | **$0** | **$0** |
| Earth work | $0 | | $0 | | $0 | | |
| On-site Utilities | $0 | | $0 | | $0 | | |
| Roads & Walks | $0 | | $0 | | $0 | | |
| On-site Improvements | $0 | | $0 | | $0 | | |
| Lawns & Plantings | $0 | | $0 | | $0 | | |
| TAM Costs | $0 | | | $0 | | | $0 |
| Site Work (27.5 year) | $0 | | $0 | | $0 | | |
| <Other Non-Eligible> | $0 | | | $0 | $0 | | |
| <Other Eligible Cost> | $0 | | $0 | | $0 | | |
| <Other Eligible Cost> | $0 | | $0 | | $0 | | |
| **Personal Property** | **$0** | **$0** | **$0** | **$0** | **$0** | **$0** | **$0** |
| Resilient Flooring | $0 | | $0 | | $0 | | |
| Equipment/Specialties | $0 | | $0 | | $0 | | |
| Appliances | $0 | | $0 | | $0 | | |
| Blinds/Shades/Artwork | $0 | | $0 | | $0 | | |
| Carpeting | $0 | | $0 | | $0 | | |
| Energy Basis | $0 | | $0 | | $0 | | |
| <Other> | $0 | | $0 | | $0 | | |
| **Developer Costs** | **$6,631,697** | **$0** | **$6,631,697** | **$0** | **$6,631,697** | **$0** | |
| Developer Fee | $6,631,697 | $0 | $6,631,697 | | $6,631,697 | | |
| Developer Overhead | $0 | $0 | $0 | | $0 | | |
| **Reserves** | **$1,090,734** | | | **$1,090,734** | | | **$1,090,734** |
| Y Operating Reserve | $918,734 | | | $918,734 | | | $918,734 |
| Y Lease-up Reserve | $100,000 | | | $100,000 | | | $100,000 |
| Y Partnership Rental Assistance Reserve | $0 | | | $0 | | | $0 |
| N Syndicator Reserve | $0 | | | $0 | | | $0 |
| Y Replacement Reserve | $72,000 | | | $72,000 | | | $72,000 |
| Y Working Capital Reserve | $0 | | | $0 | | | $0 |
| **TOTAL PROJECT COST** | **$45,241,052** | **$0** | **$42,327,937** | **$2,913,115** | **$42,327,937** | **$159,941** | **$2,753,174** |
| Check | | OK | | | OK | | |

SCHEDULE C

0

**PROJECT OPERATIONS ANALYSIS**

**Date:** 2/2/2016
**Property Name:** Liberty Square Rising 4d
**City / State:** Miami, FL
**Total Units:** 240

| | | | Per Month | Developer Estimates | Developer Per Unit | 2012 RJTCF Total Average | 2012 RJTCF Developer Average | 2012 RJTCF State/Regional Avg. |
|---|---|---|---|---|---|---|---|---|
| **Potential Unit Rental Income** | | 4,227,552 | 352,296 | | | | | |
| **LESS: Vacancy Allowance** | 6.00% | -253,653 | | | | | | |
| **Effective Unit Rental Income** | | **3,973,899** | **331,158** | | | | | |
| **Potential Commercial Income** | | 0 | 0 | | | | | |
| **LESS: Vacancy Allowance** | 7% | 0 | | | | | | |
| **Effective Commercial Income** | | 0 | 0 | | | | | |
| | | | **Per Unit** | | | | | |
| **Potential Garage Rental Income** | | 0 | 0 | 0 | 0 | | | |
| **Laundry Income** | | 0 | 0 | 0 | 0 | | | |
| **Cable Income** | | 0 | 0 | 0 | 0 | | | |
| **Other Income** | | 22,560 | 94 | 0 | 0 | | | |
| **IRP** | | 0 | 0 | 0 | 0 | | | |
| **Total Other Income** | | **22,560** | **94** | **0** | **0** | 167 | 0 | 0 |
| | | | **Per Month** | | | | | |
| **EFFECTIVE GROSS INCOME (ALL SOURCES)** | | **3,996,459** | **333,038** | **3,973,899** | | | | |

| | | Raymond James Estimates | Raymond James Per Unit | | | 2012 RJTCF Total Average | 2012 RJTCF Developer Average | 2012 RJTCF State/Regional Avg. |
|---|---|---|---|---|---|---|---|---|
| **Payroll & Related Expenses-Office/Admin Only** | | 336,000 | 1,400 | 0 | 0 | 502 | 0 | 0 |
| **Maintenance/Repairs/Pest Control/Maint. Payroll** | | 240,000 | 1,000 | 0 | 0 | 1,062 | 0 | 0 |
| **Other Operating Expenses/Office Exp./Advertising** | | 134,000 | 558 | 0 | 0 | 554 | 0 | 0 |
| **Accounting/Auditing** | | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Other Professional (Legal)** | | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Miscellaneous Taxes and Licenses** | | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Security** | | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Miscellaneous/Other** | | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **OPERATING COST SUBTOTAL** | | **710,000** | **2,958** | **0** | **0** | 2,118 | 0 | 0 |
| **Management Fee** | 6.0% | 239,788 | 999 | 0 | 0 | 463 | 0 | 0 |
| **Real Estate Taxes** | | 303,448 | 1,264 | 0 | 0 | 455 | 0 | 0 |
| **Utilities - Project Paid Only** | | 144,000 | 600 | 0 | 0 | 609 | 0 | 0 |
| **Insurance - Property** | | 144,000 | 600 | 0 | 0 | 264 | 0 | 0 |
| **SUBTOTAL** | | 831,236 | 3,463 | 0 | 0 | 1,791 | 0 | 0 |
| **TOTAL OPERATING EXPENSE** | | **1,541,236** | **6,422** | **0** | **0** | 3,909 | 0 | 0 |
| Annual Increase | | | | | | | | |
| **Transfer to Operating Reserves** | | 0 | 0 | 0 | 0 | | | |
| 3.00% **Transfer to Replacement Reserves** | | 72,000 | 300 | 0 | 0 | | | |
| **Total Operating Expense & Reserves** | | **1,613,236** | **6,722** | **0** | **0** | | | |
| **NET OPERATING INCOME** | | **2,383,223** | **9,930** | **3,973,899** | **16,558** | | | |
| **Annual Debt Service - 1st Mtg.** | 2,044,700 | | | | | | | |
| **Annual Debt Service - 2nd Mtg.** | Soft Debt | | | | | | | |
| **Annual Debt Service - 3rd Mtg.** | 17,000 | | | | | | | |
| **Annual Debt Service - 4th Mtg.** | 0 | | | | | | | |
| **Annual Debt Service - 5th Mtg.** | 0 | | | | | | | |
| **Annual Debt Service - 6th Mtg.** | 0 | | | | | | | |
| | | 2,061,700 | | 2,061,700 | | | | |
| **BUDGETED CASH FLOW** | | **321,523** | | **1,912,199** | | | | |
| **DEBT COVERAGE RATIO** | | **1.16** | | **1.93** | | | | |

| | |
|---|---|
| Deferred Developer Fee | 1,684,846 |
| Monthly Operating Expenses + Reserves + Debt Service | 306,245 |

| Type | Amount | Rate | Term | Amort. Pd | Payments? | Interest Only? |
|---|---|---|---|---|---|---|
| bond | 34,900,000 | 4.74% | 15 | 35 | Y | N |
| home | 3,000,000 | 0.00% | 30 | 30 | Y | N |
| Surtax | 1,700,000 | 1.00% | 30 | 30 | Y | Y |
| Surtax | 0 | 1.00% | 30 | 30 | Y | Y |
| 0 | 0 | 0.00% | 30 | 30 | Y | N |
| 0 | 0 | 0.00% | 30 | 30 | Y | N |

| | | | surplus/shortfall |
|---|---|---|---|
| Monthly Gross Rental Income at | 1.15 | 351,208 | 1,088 |
| Monthly Eff. Gross Income at | 1.15 | 332,016 | 1,022 |

| | | |
|---|---|---|
| Breakeven Occupancy: | | 86.47% |
| Working Capital Required: | $ | 450,367 |

**SCHEDULE E**

Pillar

PILLAR MULTIFAMILY
AN AFFILIATE OF GUGGENHEIM PARTNERS
330 Madison Avenue
NEW YORK, NEW YORK 10017
PILLARFINANCE.COM

February 4, 2016

Mr. Tony Del Pozzo
Mr. Albert Milo
RUDG, LLC
315 S. Biscayne Blvd. – 4th Floor
Miami, FL 33131

Re: Liberty Square Rising (the "Property"), 1,488 units
Miami, FL

Gentlemen:

Based on our review and analysis of the information you have supplied, we are pleased to provide the following permanent financing commitment for your proposed Liberty Square Rising development located in Miami-Dade County, Florida.

| | |
|---|---|
| Borrower/Applicant: | Affiliate of RUDG, LLC or such other entity acceptable to Lender. |
| Manager: | Affiliate of RUDG, LLC or such other entity acceptable to Lender. |
| Developer: | Affiliate of RUDG, LLC or such other entity acceptable to Lender. |
| Guarantor: | PRH Investments LLC or such other entity acceptable to Lender. |
| Loan / Purpose: | Permanent financing to each phase of the Project in the below amounts, subject to final underwriting: |

| Phase | Permanent Loan Amount |
|---|---|
| Liberty Square - Phase 1A Lincoln Gardens | $10,750,000 |
| Liberty Square - Phase 1B | $5,650,000 |
| Liberty Square - Phase 2 | $5,650,000 |
| Liberty Square - Phase 3A | $5,750,000 |
| Liberty Square - Phase 3B | $4,000,000 |
| Liberty Square - Phase 4B | $5,350,000 |
| Liberty Square - Phase 4C | $16,150,000 |
| Liberty Square - Phase 4D | $34,900,000 |
| | $88,200,000 |

| | |
|---|---|
| Term: | 17 Years (2 year unfunded forward commitment followed by 15 year term) |
| Interest Rate: | The interest rate on the Loan (the "Interest Rate") is estimated to be 4.74%. which rate assumes that the yield on the 10-Year Treasury at the time of rate lock is 2.00%. The Interest Rate is an estimate and |

| | |
|---|---|
| | components of the Interest Rate adjust daily and are subject to overall fluctuations in the capital markets. |
| Commitment Fee: | 1.0% of the loan amount |
| Collateral: | First mortgage; other typical pledges and assignments. |
| Guarantee: | Non-recourse to the Borrower and Guarantors, with standard carve-outs (the carve outs include, without limitation, delivery assurance, guarantees against fraud, misrepresentation, environmental and waste). |
| Loan to Value: | 90% |
| Minimum DSCR: | 1.15x based on the actual Interest Rate determined at Rate Lock. |
| Amortization Period: | 35 Years |
| Subordinate Financing: | Subordinate Financing will be permitted subject to Pillar's approval. |
| Additional: | Any real estate tax PILOT or exemption is subject to full and final due diligence and must be structured in accordance with all Pillar and applicable Agency guidelines. |
| Lending Program: | Freddie Mac or Fannie Mae |

This commitment is contingent upon credit approval and completion of the underwriting and due diligence process, including without limitation receipt of appraisals, environmental reports, Lender engineer's reports and all final budgets and operating pro forma, all satisfactory to Lender in its sole and absolute discretion. We reserve the right to modify and/or add to any terms described in this letter following receipt and review of due diligence materials. The foregoing is intended to summarize the structure and basic terms and conditions (subject to modification upon completion of due diligence by Lender) upon which Lender may provide the financing described herein and is not an inclusive statement of all provisions, documents or requirements of a closing. This commitment shall be null and void and of no further effect if not executed and returned on or before February 22, 2016.

Sincerely,
PILLAR MULTIFAMILY, LLC

By: _____
Paul Sherrington
Authorized Signatory

By the execution below, the undersigned Applicant acknowledges and agrees to the foregoing terms and conditions of this Application.

Agreed To and Accepted:

By: _____

Date: 2/4/16

Pillar

**Liberty Square - Phase 1A**

**Preliminary Loan Sizing**

| | |
|---|---|
| # Units | 216 |
| Loan Amount | $ 10,750,000 |
| | |
| 10-yr Treasury Rate (assumed at closing) | 2.00% |
| Spread (assumed at closing) | 2.74% |
| Total Rate (assumed at closing) | 4.74% |

| INCOME | Loan Sizing | | |
|---|---|---|---|
| | Amount | % | $/Unit |
| Gross Potential Rent | $2,144,993 | 100.0% | $9,931 |
| Vacancy | -$93,240 | -7.2% | ($432) |
| Bad Debt/Collection Loss | $0 | 0.0% | $0 |
| Concessions | $0 | 0.0% | $0 |
| Baseline Adjustment (PHA Asset Mgmt fee) | -$30,629 | -1.5% | ($142) |
| Net Rental Income | $2,021,124 | 100.0% | $9,357 |
| | | | |
| Commercial Income | $0 | 0.0% | $0 |
| Commercial Vacancy | $0 | 0.0% | $0 |
| Net Commercial Income | $0 | 0.0% | $0 |
| | | | |
| Laundry/Vending | $0 | 0.0% | $0 |
| Parking | $0 | 0.0% | $0 |
| Other Income | $21,600 | 1.1% | $100 |
| Effective Gross Income | $2,042,724 | 101.1% | $9,457 |
| | | | |
| Real Estate Taxes | $144,145 | 7.1% | $667 |
| Property Insurance | $129,600 | 6.4% | $600 |
| Utilities | $129,600 | 6.4% | $600 |
| Repairs and Maintenance | $216,000 | 10.7% | $1,000 |
| Management Fee | $122,583 | 6.0% | $567 |
| Payroll and Benefits | $259,200 | 12.8% | $1,200 |
| Marketing | $21,600 | 1.1% | $100 |
| Professional Fees | $21,600 | 1.1% | $100 |
| General and Administrative | $32,400 | 1.6% | $150 |
| Other Expenses | $100,000 | 4.9% | $463 |
| Ground Rent | $0 | 0.0% | $0 |
| Total Expenses | $1,176,708 | 58.2% | $5,448 |
| | | | |
| Net Operating Income | $866,016 | 42.8% | $4,009 |
| | | | |
| Capital Reserve | $64,800 | 3.2% | $300 |
| Extraordinary Capital Items | $0 | 0.0% | $0 |
| Total Capital Expenses | $64,800 | 3.2% | $300 |
| | | | |
| Total Expenses Incl Cap'l Expenses | $1,241,508 | 60.8% | $5,748 |
| | | | |
| Net Cash Flow (NOI w/Cap'l Expenses) | $801,216 | 39.2% | $3,709 |

| | |
|---|---|
| First Mortgage Debt Service | 629,814 |
| First Mortgage DSCR | 1.27 |
| CFFP DS | 64,000 |
| Total DSCR | 1.15 |

Pillar

**Liberty Square - Phase 1B**

**Preliminary Loan Sizing**

| | | |
|---|---|---|
| # Units | | 216 |
| Loan Amount | $ | 5,650,000 |
| | | |
| 10-yr Treasury Rate (assumed at closing) | | 2.00% |
| Spread (assumed at closing) | | 2.74% |
| Total Rate (assumed at closing) | | 4.74% |

| INCOME | Loan Sizing | | |
|---|---|---|---|
| | Amount | % | $/Unit |
| Gross Potential Rent | $1,653,113 | 100.0% | $7,653 |
| Vacancy | -$37,474 | 2.3% | ($173) |
| Bad Debt/Collection Loss | $0 | 0.0% | $0 |
| Concessions | $0 | 0.0% | $0 |
| Baseline Adjustment (PHA Asset Mgmt Fee) | -$52,507 | -3.4% | ($243) |
| Net Rental Income | $1,563,132 | 100.0% | $7,237 |
| | | | |
| Commercial Income | $0 | 0.0% | $0 |
| Commercial Vacancy | $0 | 0.0% | $0 |
| Net Commercial Income | $0 | 0.0% | $0 |
| | | | |
| Laundry/Vending | $0 | 0.0% | $0 |
| Parking | $0 | 0.0% | $0 |
| Other Income | $21,600 | 1.4% | $100 |
| Effective Gross Income | $1,584,732 | 101.4% | $7,337 |
| | | | |
| Real Estate Taxes | $89,894 | 5.8% | $416 |
| Property Insurance | $129,600 | 8.3% | $600 |
| Utilities | $129,600 | 8.3% | $600 |
| Repairs and Maintenance | $216,000 | 13.8% | $1,000 |
| Management Fee | $95,084 | 6.0% | $440 |
| Payroll and Benefits | $302,400 | 19.3% | $1,400 |
| Marketing | $21,600 | 1.4% | $100 |
| Professional Fees | $21,600 | 1.4% | $100 |
| General and Administrative | $32,400 | 2.1% | $150 |
| Other Expenses (Resident Services) | $100,000 | 6.4% | $463 |
| Ground Rent | $0 | 0.0% | $0 |
| Total Expenses | $1,138,178 | 72.8% | $5,269 |
| | | | |
| Net Operating Income | $446,554 | 28.6% | $2,067 |
| | | | |
| Capital Reserve | $64,800 | 4.1% | $300 |
| Extraordinary Capital Items | $0 | 0.0% | $0 |
| Total Capital Expenses | $64,800 | 4.1% | $300 |
| | | | |
| Total Expenses incl Cap'l Expenses | $1,202,978 | 76.9% | $5,569 |
| | | | |
| Net Cash Flow (NOI w/Cap'l Expenses) | $381,754 | 24.1% | $1,767 |
| | | | |
| Debt Service | 331,019 | | |
| Actual Debt Service Coverage | 1.15 | | |

Pillar

**Liberty Square - Phase 2**

**Preliminary Loan Sizing**

| | | |
|---|---|---|
| # Units | | 216 |
| Loan Amount | $ | 5,650,000 |
| | | |
| 10-yr Treasury Rate (assumed at closing) | | 2.00% |
| Spread (assumed at closing) | | 2.74% |
| Total Rate (assumed at closing) | | 4.74% |

| INCOME | Loan Sizing | | |
|---|---|---|---|
| | Amount | % | $/Unit |
| Gross Potential Rent | $1,653,113 | 100.0% | $7,653 |
| Vacancy | -$37,474 | 2.3% | ($173) |
| Bad Debt/Collection Loss | $0 | 0.0% | $0 |
| Concessions | $0 | 0.0% | $0 |
| Baseline Adjustment (PHA Asset Mgmt Fee) | -$52,507 | -3.4% | ($243) |
| Net Rental Income | $1,563,132 | 100.0% | $7,237 |
| | | | |
| Commercial Income | $0 | 0.0% | $0 |
| Commercial Vacancy | $0 | 0.0% | $0 |
| Net Commercial Income | $0 | 0.0% | $0 |
| | | | |
| Laundry/Vending | $0 | 0.0% | $0 |
| Parking | $0 | 0.0% | $0 |
| Other Income | $21,600 | 1.4% | $100 |
| Effective Gross Income | $1,584,732 | 101.4% | $7,337 |
| | | | |
| Real Estate Taxes | $89,884 | 5.8% | $416 |
| Property Insurance | $129,600 | 8.3% | $600 |
| Utilities | $129,600 | 8.3% | $600 |
| Repairs and Maintenance | $216,000 | 13.8% | $1,000 |
| Management Fee | $95,084 | 6.0% | $440 |
| Payroll and Benefits | $302,400 | 19.3% | $1,400 |
| Marketing | $21,600 | 1.4% | $100 |
| Professional Fees | $21,600 | 1.4% | $100 |
| General and Administrative | $32,400 | 2.1% | $150 |
| Other Expenses (Resident Services) | $100,000 | 6.4% | $463 |
| Ground Rent | $0 | 0.0% | $0 |
| Total Expenses | $1,138,178 | 72.8% | $5,269 |
| | | | |
| Net Operating Income | $446,554 | 28.6% | $2,067 |
| | | | |
| Capital Reserve | $64,800 | 4.1% | $300 |
| Extraordinary Capital Items | $0 | 0.0% | $0 |
| Total Capital Expenses | $64,800 | 4.1% | $300 |
| | | | |
| Total Expenses incl Cap'l Expenses | $1,202,978 | 75.9% | $5,569 |
| | | | |
| Net Cash Flow (NOI w/Cap'l Expenses) | $381,754 | 24.1% | $1,767 |
| | | | |
| Debt Service | 331,019 | | |
| Actual Debt Service Coverage | 1.15 | | |

Pillar

**Liberty Square - Phase 3A**

**Preliminary Loan Sizing**

| | | |
|---|---|---|
| # Units | | 216 |
| Loan Amount | $ | 5,750,000 |
| | | |
| 10-yr Treasury Rate (assumed at closing) | | 2.00% |
| Spread (assumed at closing) | | 2.74% |
| Total Rate (assumed at closing) | | 4.74% |

| INCOME | Loan Sizing | | |
|---|---|---|---|
| | Amount | % | $/Unit |
| Gross Potential Rent | $1,665,121 | 100.0% | $7,709 |
| Vacancy | -$39,595 | 2.4% | ($183) |
| Bad Debt/Collection Loss | $0 | 0.0% | $0 |
| Concessions | $0 | 0.0% | $0 |
| Baseline Adjustment (PHA Asset Mgmt Fee) | -$51,341 | -3.3% | ($238) |
| Net Rental Income | $1,574,185 | 100.0% | $7,288 |
| | | | |
| Commercial Income | $0 | 0.0% | $0 |
| Commercial Vacancy | $0 | 0.0% | $0 |
| Net Commercial Income | $0 | 0.0% | $0 |
| | | | |
| Laundry/Vending | $0 | 0.0% | $0 |
| Parking | $0 | 0.0% | $0 |
| Other Income | $21,600 | 1.4% | $100 |
| Effective Gross Income | $1,595,785 | 101.4% | $7,388 |
| | | | |
| Real Estate Taxes | $91,874 | 5.8% | $425 |
| Property Insurance | $129,600 | 8.2% | $600 |
| Utilities | $129,600 | 8.2% | $600 |
| Repairs and Maintenance | $216,000 | 13.7% | $1,000 |
| Management Fee | $95,747 | 6.0% | $443 |
| Payroll and Benefits | $302,400 | 19.2% | $1,400 |
| Marketing | $21,600 | 1.4% | $100 |
| Professional Fees | $21,600 | 1.4% | $100 |
| General and Administrative | $32,400 | 2.1% | $150 |
| Other Expenses (Resident Services) | $100,000 | 6.4% | $463 |
| Ground Rent | $0 | 0.0% | $0 |
| Total Expenses | $1,140,821 | 72.6% | $5,282 |
| | | | |
| Net Operating Income | $454,964 | 28.9% | $2,106 |
| | | | |
| Capital Reserve | $64,800 | 4.1% | $300 |
| Extraordinary Capital Items | $0 | 0.0% | $0 |
| Total Capital Expenses | $64,800 | 4.1% | $300 |
| | | | |
| Total Expenses incl Cap'l Expenses | $1,205,621 | 76.6% | $5,582 |
| | | | |
| Net Cash Flow (NOI w/Cap'l Expenses) | $390,164 | 24.4% | $1,806 |
| | | | |
| Debt Service | 336,878 | | |
| Actual Debt Service Coverage | 1.16 | | |

Pillar

**Liberty Square - Phase 3B**

**Preliminary Loan Sizing**

| | | |
|---|---|---|
| # Units | | 144 |
| Loan Amount | $ | 4,000,000 |
| | | |
| 10-yr Treasury Rate (assumed at closing) | | 2.00% |
| Spread (assumed at closing) | | 2.74% |
| Total Rate (assumed at closing) | | 4.74% |

| INCOME | Loan Sizing | | |
|---|---|---|---|
| | Amount | % | $/Unit |
| Gross Potential Rent | $1,150,108 | 100.0% | $7,987 |
| Vacancy | -$33,485 | 2.9% | ($232) |
| Bad Debt/Collection Loss | $0 | 0.0% | $0 |
| Concessions | $0 | 0.0% | $0 |
| Baseline Adjustment (PHA Asset Mgmt Fee) | -$30,338 | -2.6% | ($211) |
| Net Rental Income | $1,086,305 | 100.0% | $7,544 |
| | | | |
| Commercial Income | $0 | 0.0% | $0 |
| Commercial Vacancy | $0 | 0.0% | $0 |
| Net Commercial Income | $0 | 0.0% | $0 |
| | | | |
| Laundry/Vending | $0 | 0.0% | $0 |
| Parking | $0 | 0.0% | $0 |
| Other Income | $14,400 | 1.3% | $100 |
| Effective Gross Income | $1,100,705 | 101.3% | $7,644 |
| | | | |
| Real Estate Taxes | $68,169 | 6.3% | $473 |
| Property Insurance | $86,400 | 8.0% | $600 |
| Utilities | $86,400 | 8.0% | $600 |
| Repairs and Maintenance | $144,000 | 13.3% | $1,000 |
| Management Fee | $66,042 | 6.0% | $459 |
| Payroll and Benefits | $201,600 | 18.6% | $1,400 |
| Marketing | $14,400 | 1.3% | $100 |
| Professional Fees | $14,400 | 1.3% | $100 |
| General and Administrative | $21,600 | 2.0% | $150 |
| Other Expenses (Resident Services) | $65,000 | 6.0% | $451 |
| Ground Rent | $0 | 0.0% | $0 |
| Total Expenses | $768,011 | 70.7% | $5,333 |
| | | | |
| Net Operating Income | $332,694 | 30.6% | $2,310 |
| | | | |
| Capital Reserve | $43,200 | 3.9% | $300 |
| Extraordinary Capital Items | $0 | 0.0% | $0 |
| Total Capital Expenses | $43,200 | 3.9% | $300 |
| | | | |
| Total Expenses Incl Cap'l Expenses | $811,211 | 73.7% | $5,633 |
| | | | |
| Net Cash Flow (NOI w/Cap'l Expenses) | $289,494 | 26.3% | $2,010 |

| | |
|---|---|
| First Mortgage Debt Service | 234,350 |
| First Mortgage DSCR | 1.24 |
| Surtax DS | 16,000 |
| Total DSCR | 1.16 |

Pillar

**Liberty Square - Phase 4B**

**Preliminary Loan Sizing**

| | | |
|---|---|---|
| # Units | | 120 |
| Loan Amount | $ | 5,350,000 |
| | | |
| 10-yr Treasury Rate (assumed at closing) | | 2.00% |
| Spread (assumed at closing) | | 2.74% |
| Total Rate (assumed at closing) | | 4.74% |

| INCOME | Loan Sizing | | |
|---|---|---|---|
| | Amount | % | $/Unit |
| Gross Potential Rent | $1,048,896 | 100.0% | $8,741 |
| Vacancy | -$63,654 | 6.1% | ($530) |
| Bad Debt/Collection Loss | $0 | 0.0% | $0 |
| Concessions | $0 | 0.0% | $0 |
| Baseline Adjustment (PHA Asset Mgmt Fee) | $0 | 0.0% | $0 |
| **Net Rental Income** | **$985,242** | **100.0%** | **$8,210** |
| | | | |
| Commercial Income | $0 | 0.0% | $0 |
| Commercial Vacancy | $0 | 0.0% | $0 |
| **Net Commercial Income** | **$0** | **0.0%** | **$0** |
| | | | |
| Laundry/Vending | $0 | 0.0% | $0 |
| Parking | $0 | 0.0% | $0 |
| Other Income | $12,000 | 1.2% | $100 |
| **Effective Gross Income** | **$997,242** | **101.2%** | **$8,310** |
| | | | |
| Real Estate Taxes | $0 | 0.0% | $0 |
| Property Insurance | $72,000 | 7.3% | $600 |
| Utilities | $72,000 | 7.3% | $600 |
| Repairs and Maintenance | $120,000 | 12.2% | $1,000 |
| Management Fee | $59,835 | 6.0% | $499 |
| Payroll and Benefits | $168,000 | 17.1% | $1,400 |
| Marketing | $12,000 | 1.2% | $100 |
| Professional Fees | $12,000 | 1.2% | $100 |
| General and Administrative | $18,000 | 1.8% | $150 |
| Other Expenses (Resident Services) | $50,000 | 5.1% | $417 |
| Ground Rent | $0 | 0.0% | $0 |
| **Total Expenses** | **$583,835** | **59.3%** | **$4,865** |
| | | | |
| **Net Operating Income** | **$413,407** | **42.0%** | **$3,445** |
| | | | |
| Capital Reserve | $36,000 | 3.6% | $300 |
| Extraordinary Capital Items | $0 | 0.0% | $0 |
| **Total Capital Expenses** | **$36,000** | **3.6%** | **$300** |
| | | | |
| **Total Expenses Incl Cap'l Expenses** | **$619,835** | **62.2%** | **$5,165** |
| | | | |
| **Net Cash Flow (NOI w/Cap'l Expenses)** | **$377,407** | **37.8%** | **$3,145** |

| | |
|---|---|
| **First Mortgage Debt Service** | 313,443 |
| **First Mortgage DSCR** | 1.20 |
| **Surtax DS** | 13,000 |
| **Total DSCR** | 1.16 |

Pillar

**Liberty Square - Phase 4C**

**Preliminary Loan Sizing**

| | |
|---|---|
| # Units | 120 |
| Loan Amount | $ 16,150,000 |
| | |
| 10-yr Treasury Rate (assumed at closing) | 2.00% |
| Spread (assumed at closing) | 2.74% |
| Total Rate (assumed at closing) | 4.74% |

| INCOME | Loan Sizing | | |
|---|---|---|---|
| | Amount | % | $/Unit |
| Gross Potential Rent | $2,113,776 | 100.0% | $17,615 |
| Vacancy | -$127,547 | 6.0% | ($1,063) |
| Bad Debt/Collection Loss | $0 | 0.0% | $0 |
| Concessions | $0 | 0.0% | $0 |
| Baseline Adjustment (PHA Asset Mgmt Fee) | $0 | 0.0% | $0 |
| Net Rental Income | $1,986,229 | 100.0% | $16,552 |
| | | | |
| Commercial Income | $0 | 0.0% | $0 |
| Commercial Vacancy | $0 | 0.0% | $0 |
| Net Commercial Income | $0 | 0.0% | $0 |
| | | | |
| Laundry/Vending | $0 | 0.0% | $0 |
| Parking | $0 | 0.0% | $0 |
| Other Income | $12,000 | 0.6% | $100 |
| Effective Gross Income | $1,998,229 | 100.6% | $16,652 |
| | | | |
| Real Estate Taxes | $143,253 | 7.2% | $1,194 |
| Property Insurance | $72,000 | 3.6% | $600 |
| Utilities | $72,000 | 3.6% | $600 |
| Repairs and Maintenance | $120,000 | 6.0% | $1,000 |
| Management Fee | $119,894 | 6.0% | $999 |
| Payroll and Benefits | $168,000 | 8.5% | $1,400 |
| Marketing | $12,000 | 0.6% | $100 |
| Professional Fees | $12,000 | 0.6% | $100 |
| General and Administrative | $18,000 | 0.9% | $150 |
| Other Expenses (Resident Services) | $100,000 | 5.0% | $833 |
| Ground Rent | $0 | 0.0% | $0 |
| Total Expenses | $837,147 | 42.1% | $6,976 |
| | | | |
| Net Operating Income | $1,161,082 | 58.5% | $9,676 |
| | | | |
| Capital Reserve | $36,000 | 1.8% | $300 |
| Extraordinary Capital Items | $0 | 0.0% | $0 |
| Total Capital Expenses | $36,000 | 1.8% | $300 |
| | | | |
| Total Expenses Incl Cap'l Expenses | $873,147 | 43.7% | $7,276 |
| | | | |
| Net Cash Flow (NOI w/Cap'l Expenses) | $1,125,082 | 56.3% | $9,376 |

| | |
|---|---|
| First Mortgage Debt Service | 946,186 |
| First Mortgage DSCR | 1.19 |
| Surtax DS | 30,000 |
| Total DSCR | 1.15 |

Pillar

**Liberty Square - Phase 4D**

**Preliminary Loan Sizing**

| | |
|---|---|
| # Units | 240 |
| Loan Amount | $ 34,900,000 |
| | |
| 10-yr Treasury Rate (assumed at closing) | 2.00% |
| Spread (assumed at closing) | 2.74% |
| Total Rate (assumed at closing) | 4.74% |

| INCOME | Loan Sizing | | |
|---|---|---|---|
| | Amount | % | $/Unit |
| Gross Potential Rent | $4,227,552 | 100.0% | $17,615 |
| Vacancy | -$255,093 | 6.0% | ($1,063) |
| Bad Debt/Collection Loss | $0 | 0.0% | $0 |
| Concessions | $0 | 0.0% | $0 |
| Baseline Adjustment (PHA Asset Mgmt Fee) | $0 | 0.0% | $0 |
| **Net Rental Income** | **$3,972,459** | **100.0%** | **$16,552** |
| | | | |
| Commercial Income | $0 | 0.0% | $0 |
| Commercial Vacancy | $0 | 0.0% | $0 |
| **Net Commercial Income** | **$0** | **0.0%** | **$0** |
| | | | |
| Laundry/Vending | $0 | 0.0% | $0 |
| Parking | $0 | 0.0% | $0 |
| Other Income | $24,000 | 0.6% | $100 |
| **Effective Gross Income** | **$3,996,459** | **100.6%** | **$16,652** |
| | | | |
| Real Estate Taxes | $303,448 | 7.6% | $1,264 |
| Property Insurance | $144,000 | 3.6% | $600 |
| Utilities | $144,000 | 3.6% | $600 |
| Repairs and Maintenance | $240,000 | 6.0% | $1,000 |
| Management Fee | $239,788 | 6.0% | $999 |
| Payroll and Benefits | $336,000 | 8.5% | $1,400 |
| Marketing | $24,000 | 0.6% | $100 |
| Professional Fees | $24,000 | 0.6% | $100 |
| General and Administrative | $36,000 | 0.9% | $150 |
| Other Expenses (Resident Services) | $50,000 | 1.3% | $208 |
| Ground Rent | $0 | 0.0% | $0 |
| **Total Expenses** | **$1,541,236** | **38.6%** | **$6,422** |
| | | | |
| **Net Operating Income** | **$2,455,223** | **61.8%** | **$10,230** |
| | | | |
| Capital Reserve | $72,000 | 1.8% | $300 |
| Extraordinary Capital Items | $0 | 0.0% | $0 |
| **Total Capital Expenses** | **$72,000** | **1.8%** | **$300** |
| | | | |
| **Total Expenses Incl Cap'l Expenses** | **$1,613,236** | **40.4%** | **$6,722** |
| | | | |
| **Net Cash Flow (NOI w/Cap'l Expenses)** | **$2,383,223** | **59.6%** | **$9,930** |

| | |
|---|---|
| **First Mortgage Debt Service** | 2,044,700 |
| **First Mortgage DSCR** | 1.17 |
| **Surtax DS** | 17,000 |
| **Total DSCR** | 1.16 |

**SECTION 3.11.A) ATTACHMENT – ALTERNATIVE FINANCING SCENARIOS**

9% - LIHTC Pro Forma
Section 8 – Voucher Summary

# Liberty Square Rising - 9% Phase 1A Lincoln Gardens
## EXECUTIVE SUMMARY

Address
Miami, FL

Total Units 216

| SOURCES | Construction Source of Funds | Per Unit | Permanent Source of Funds | Per Unit |
|---|---|---|---|---|
| Tax Credit Equity: | 8,604,100 | 39,834 | 28,680,332 | 132,779 |
| First Mortgage | 29,500,000 | 136,574 | 11,875,000 | 54,977 |
| FHFC HOME | 2,000,000 | 9,259 | 2,000,000 | 9,259 |
| FHLB | 1,000,000 | 4,630 | 1,000,000 | 4,630 |
| County GOB | 1,200,000 | 5,556 | 1,200,000 | 5,556 |
| Deferred Developer Fee: | 3,347,760 | 15,499 | 603,988 | 2,796 |
| **TOTAL** | **45,651,859** | **211,351** | **45,359,320** | **209,997** |

| USES | | Total | Per Unit |
|---|---|---|---|
| **Acquisition** | | | |
| Acquisition Costs | | 540,000 | 2,500 |
| **Construction** | | | |
| Residential Construction | | 23,544,000 | 109,000 |
| Mourning Brownsville Youth Center | | 2,000,000 | |
| Bannerman Park Upgrades | | 1,000,000 | |
| GC Fees | 14% | 3,716,160 | |
| Hard Cost Contingency | 5% | 1,513,008 | |
| Total Construction | | 31,773,168 | 147,098 |
| **Soft Costs** | | | |
| Accountant Cost Cert: | | 50,000 | |
| Third party (appraisal, inspections, survey etc.) | | 56,500 | |
| Environmental | | 10,000 | |
| Architectural & Engineering | | 889,000 | |
| Tenant Relocation | | 555,000 | |
| Other Project Soft Costs | | 2,087,092 | |
| Developer Legal Costs | | 180,000 | |
| Financing Costs - Issuance & Origination | | 455,250 | |
| Financing Legal Costs | | 70,000 | |
| Equity Syndication Costs | | 354,941 | |
| Replacement Reserve: | | 64,800 | |
| Lease Up Reserve | | 136,036 | |
| Operating Subsidy Reserve | | 257,802 | |
| Operating Deficit Reserve | | 467,831 | |
| Debt Reserve: | | 500,000 | |
| Soft Cost Contingency | 5% | 216,380 | |
| Soft Costs | | 6,350,632 | 29,401 |
| **TOTAL COSTS before Developer Fee** | | **38,663,800** | **178,999** |
| Developer Fee | | 6,695,520 | 30,998 |
| **TOTAL COSTS** | | **45,359,320** | **209,997** |
| **Total Development Costs Excluding Land** | | **44,819,320** | **207,497** |

**SCHEDULE OF FORECASTED BASE-YEAR REVENUES AND EXPENSES**

**Project:** Liberty Square Rising - 9% Phase 1A Lincoln Gardens
**Project County:** Miami Dade

| Income Level Served | Number of BRs | Number of Units | Pro Forma Rent | Annual Rent |
|---|---|---|---|---|
| PHA | 3 | 71 | 596.08 | 507,860 |
| PHA | 4 | 34 | 596.08 | 243,201 |
| 60% | 3 | 56 | 991.00 | 665,952 |
| 60% | 4 | 55 | 1,103.00 | 727,980 |
| Totals | | 216 | | 2,144,993 |

| ANNUAL OPERATING | | CURRENT Annual | Annual Rents / Unit |
|---|---|---|---|
| Public Housing Units[1] | | 751,061 | 3,477 |
| Affordable Rents | | 1,393,932 | 6,453 |
| Total Gross Potential Rental Revenue | | **2,144,993** | **9,931** |
| Miscellaneous Revenue | | 21,600 | 100 |
| **Gross Potential Income** | | **2,166,593** | **10,031** |
| Vacancy and Collection Loss[2] | 6% | 93,240 | 432 |
| PHA Asset Management Fee | 5% | 30,629 | 142 |
| **EFFECTIVE GROSS INCOME (EGI)** | | **2,042,723** | **9,457** |
| General & Administrative | | 32,400 | 150 |
| Payroll | | 259,200 | 1,200 |
| Utilities | | 129,600 | 600 |
| Marketing | | 21,600 | 100 |
| Maintenance & repairs | | 75,600 | 350 |
| Security | | 75,600 | 350 |
| Service contracts | | 64,800 | 300 |
| Resident Services | | 100,000 | 463 |
| Management Fee | | 122,563 | 567 |
| Professional services | | 21,600 | 100 |
| **Subtotal - Controllable** | | 902,963 | 4,180 |
| Real Estate Taxes | | 144,145 | 667 |
| Property and Liability Ins. | | 129,600 | 600 |
| **Subtotal - Taxes & Insurance** | | 273,745 | 1,267 |
| **Total Annual Operating Expenses & Reserves** | | **1,176,709** | **5,448** |
| Replacement Reserve Deposits | | 64,800 | 300 |
| **NET OPERATING INCOME (LOSS)** | | **$ 801,215** | **$ 3,709** |

**NOTES**

1.) Net of operating subsidy proration which was approximately 11% in 2014

2.) Vacancy & Collection based on 6% of tenant paid rent only.

OPERATING PROFORMA - Liberty Square Rising - 9% Phase 1A Lincoln Gardens

| Revenue | Growth | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 | Year 9 | Year 10 | Year 11 | Year 12 | Year 13 | Year 14 | Year 15 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Rental Income** | | | | | | | | | | | | | | | | |
| Tenant Rent | 3.0% | 138,474 | 142,628 | 146,907 | 151,314 | 155,854 | 160,529 | 165,345 | 170,306 | 175,415 | 180,677 | 186,097 | 191,680 | 197,431 | 203,354 | 209,454 |
| Operating Subsidy | 3.0% | 515,605 | 531,073 | 547,005 | 563,415 | 580,318 | 597,727 | 615,659 | 634,129 | 653,152 | 672,747 | 692,929 | 713,717 | 735,129 | 757,183 | 779,898 |
| Utility Subsidy | 3.0% | 96,982 | 99,892 | 102,888 | 105,975 | 109,154 | 112,429 | 115,802 | 119,276 | 122,854 | 126,540 | 130,336 | 134,246 | 138,273 | 142,422 | 146,694 |
| Affordable Rents | 2.0% | 1,393,932 | 1,421,811 | 1,450,247 | 1,479,252 | 1,508,837 | 1,539,014 | 1,569,794 | 1,601,190 | 1,633,214 | 1,665,878 | 1,699,195 | 1,733,179 | 1,767,843 | 1,803,200 | 1,839,264 |
| **Total Rent Revenue** | | **2,144,993** | **2,195,403** | **2,247,047** | **2,299,956** | **2,354,162** | **2,409,699** | **2,466,600** | **2,524,900** | **2,584,635** | **2,645,842** | **2,708,558** | **2,772,823** | **2,838,676** | **2,906,158** | **2,975,311** |
| | | | 1.0235 | | | | | | | | | | | | | |
| **Rent Loss** | | | | | | | | | | | | | | | | |
| Vacancy and Collection Loss | 6.0% | 93,240 | 95,188 | 97,178 | 99,209 | 101,284 | 103,403 | 105,568 | 107,778 | 110,036 | 112,342 | 114,697 | 117,103 | 119,560 | 122,070 | 124,633 |
| PHA Asset Management Fee | 5.0% | 30,629 | 31,548 | 32,495 | 33,470 | 34,474 | 35,508 | 36,573 | 37,670 | 38,800 | 39,964 | 41,163 | 42,398 | 43,670 | 44,980 | 46,330 |
| **Total Rent Loss** | | **123,870** | **126,736** | **129,672** | **132,679** | **135,758** | **138,911** | **142,141** | **145,449** | **148,836** | **152,306** | **155,861** | **159,501** | **163,230** | **167,050** | **170,963** |
| | | | 1.0231 | | | | | | | | | | | | | |
| **Other Revenue** | | | | | | | | | | | | | | | | |
| Miscellaneous Revenue | 2.0% | 21,600 | 22,032 | 22,473 | 22,922 | 23,381 | 23,848 | 24,325 | 24,812 | 25,308 | 25,814 | 26,330 | 26,857 | 27,394 | 27,942 | 28,501 |
| **Total Other Revenue** | | **21,600** | **22,032** | **22,473** | **22,922** | **23,381** | **23,848** | **24,325** | **24,812** | **25,308** | **25,814** | **26,330** | **26,857** | **27,394** | **27,942** | **28,501** |
| | | | 1.0200 | | | | | | | | | | | | | |
| **Total Revenue** | | **2,042,723** | **2,090,699** | **2,139,848** | **2,190,200** | **2,241,785** | **2,294,636** | **2,348,784** | **2,404,263** | **2,461,106** | **2,519,349** | **2,579,028** | **2,640,179** | **2,702,840** | **2,767,050** | **2,832,849** |
| **Expenses** | | | | | | | | | | | | | | | | |
| General & Administrative | 3.0% | 32,400 | 33,372 | 34,373 | 35,404 | 36,466 | 37,560 | 38,687 | 39,848 | 41,043 | 42,275 | 43,543 | 44,849 | 46,195 | 47,580 | 49,008 |
| Payroll | 3.0% | 259,200 | 266,976 | 274,985 | 283,235 | 291,732 | 300,484 | 309,498 | 318,783 | 328,347 | 338,197 | 348,343 | 358,793 | 369,557 | 380,644 | 392,063 |
| Utilities | 3.0% | 129,600 | 133,488 | 137,493 | 141,617 | 145,866 | 150,242 | 154,749 | 159,392 | 164,173 | 169,099 | 174,172 | 179,397 | 184,779 | 190,322 | 196,032 |
| Marketing | 3.0% | 21,600 | 22,248 | 22,915 | 23,603 | 24,311 | 25,040 | 25,792 | 26,565 | 27,362 | 28,183 | 29,029 | 29,899 | 30,796 | 31,720 | 32,672 |
| Maintenance & repairs | 3.0% | 75,600 | 77,868 | 80,204 | 82,610 | 85,088 | 87,641 | 90,270 | 92,978 | 95,768 | 98,641 | 101,600 | 104,648 | 107,788 | 111,021 | 114,352 |
| Security | 3.0% | 75,600 | 77,868 | 80,204 | 82,610 | 85,088 | 87,641 | 90,270 | 92,978 | 95,768 | 98,641 | 101,600 | 104,648 | 107,788 | 111,021 | 114,352 |
| Service contracts | 3.0% | 64,800 | 66,744 | 68,746 | 70,809 | 72,933 | 75,121 | 77,375 | 79,696 | 82,087 | 84,549 | 87,086 | 89,698 | 92,389 | 95,161 | 98,016 |
| Resident Services | 3.0% | 100,000 | 103,000 | 106,090 | 109,273 | 112,551 | 115,927 | 119,405 | 122,987 | 126,677 | 130,477 | 134,392 | 138,423 | 142,576 | 146,853 | 151,259 |
| Management Fee | 3.0% | 122,563 | 126,240 | 130,027 | 133,928 | 137,946 | 142,085 | 146,347 | 150,738 | 155,260 | 159,917 | 164,715 | 169,656 | 174,746 | 179,988 | 185,388 |
| Professional services | 3.0% | 21,600 | 22,248 | 22,915 | 23,603 | 24,311 | 25,040 | 25,792 | 26,565 | 27,362 | 28,183 | 29,029 | 29,899 | 30,796 | 31,720 | 32,672 |
| Real Estate Taxes | 3.0% | 144,145 | 148,470 | 152,924 | 157,511 | 162,237 | 167,104 | 172,117 | 177,280 | 182,599 | 188,077 | 193,719 | 199,531 | 205,517 | 211,682 | 218,033 |
| Insurance | 3.0% | 129,600 | 133,488 | 137,493 | 141,617 | 145,866 | 150,242 | 154,749 | 159,392 | 164,173 | 169,099 | 174,172 | 179,397 | 184,779 | 190,322 | 196,032 |
| **Total Cost of Operations** | | **1,176,709** | **1,212,010** | **1,248,370** | **1,285,821** | **1,324,396** | **1,364,128** | **1,405,052** | **1,447,203** | **1,490,619** | **1,535,338** | **1,581,398** | **1,628,840** | **1,677,705** | **1,728,036** | **1,779,877** |
| **Replacement Reserve Deposits** | 1.5% | **64,800** | **65,772** | **66,759** | **67,760** | **68,776** | **69,808** | **70,855** | **71,918** | **72,997** | **74,092** | **75,203** | **76,331** | **77,476** | **78,638** | **79,818** |
| **Net Operating Income** | | **801,215** | **812,917** | **824,719** | **836,618** | **848,613** | **860,700** | **872,877** | **885,142** | **897,490** | **909,920** | **922,427** | **935,008** | **947,659** | **960,375** | **973,153** |
| **Debt Service - Hard** | | | | | | | | | | | | | | | | |
| First Mortgage | Rate | | | | | | | | | | | | | | | |
| *Interest Payments* | 4.74% | 559,950 | 553,373 | 546,477 | 539,247 | 531,667 | 523,719 | 515,386 | 506,650 | 497,491 | 487,888 | 477,819 | 467,263 | 456,196 | 444,592 | 432,426 |
| *Principal Payments* | | 135,775 | 142,352 | 149,248 | 156,478 | 164,059 | 172,006 | 180,339 | 189,075 | 198,234 | 207,838 | 217,906 | 228,462 | 239,530 | 251,133 | 263,299 |
| Total | | 695,725 | 695,725 | 695,725 | 695,725 | 695,725 | 695,725 | 695,725 | 695,725 | 695,725 | 695,725 | 695,725 | 695,725 | 695,725 | 695,725 | 695,725 |
| **Hard Pay Debt Service** | | **695,725** | **695,725** | **695,725** | **695,725** | **695,725** | **695,725** | **695,725** | **695,725** | **695,725** | **695,725** | **695,725** | **695,725** | **695,725** | **695,725** | **695,725** |
| *DSCR* | | *1.15* | *1.17* | *1.19* | *1.20* | *1.22* | *1.24* | *1.25* | *1.27* | *1.29* | *1.31* | *1.33* | *1.34* | *1.36* | *1.38* | *1.40* |
| CFFP | | | | | | | | | | | | | | | | |
| *Interest Payments* | 1.00% | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| *Principal Payments* | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **Total Debt Service** | | 695,725 | 695,725 | 695,725 | 695,725 | 695,725 | 695,725 | 695,725 | 695,725 | 695,725 | 695,725 | 695,725 | 695,725 | 695,725 | 695,725 | 695,725 |
| **Before Tax Cash Flow** | | 105,489 | 117,192 | 128,994 | 140,893 | 152,888 | 164,975 | 177,152 | 189,416 | 201,765 | 214,195 | 226,702 | 239,283 | 251,933 | 264,650 | 277,428 |
| **Deferred Developer Fee Balance** | | 603,988 | 503,499 | 391,457 | 267,768 | 132,339 | - | - | - | - | - | - | - | - | - | - |
| LP Asset Management Fee: | 3.0% | 5,000 | 5,150 | 5,305 | 5,464 | 5,628 | 5,796 | 5,970 | 6,149 | 6,334 | 6,524 | 6,720 | 6,921 | 7,129 | 7,343 | 7,563 |
| Deferred Developer Fee and Interest: | | 100,489 | 112,042 | 123,689 | 135,429 | 132,339 | - | - | - | - | - | - | - | - | - | - |
| **Cash Flow after Developer Fee** | | - | - | - | - | 14,921 | 159,178 | 171,182 | 183,267 | 195,431 | 207,671 | 219,982 | 232,361 | 244,805 | 257,307 | 269,865 |

Impact of Converting Public Housing units to Project-Based Section 8 Vouchers

Project Based Section 8 Units

| [A] | [B] | [C] | [D] | [F] | [E] |
|---|---|---|---|---|---|
| Unit Type | No. of PHCD Units | Sec. 8 Rent | Public Housing Rent | Difference In Rent [C-D] | Total Additional Rent if Sec. 8 |
| 1 BR | 28 | 825 | 596 | 229 | 76,917 |
| 2 BR | 311 | 1,057 | 596 | 461 | 1,720,153 |
| 3 BR | 190 | 1,463 | 596 | 867 | 1,976,578 |
| 4 BR | 172 | 1,693 | 596 | 1,097 | 2,264,043 |
| 5 BR | 44 | 1,944 | 596 | 1,348 | 711,939 |
| Total | 745 | | | | 6,749,630 |

| | | |
|---|---|---|
| Total additional income if all Public Housing units are Sec. 8 | | 6,749,630 |
| Vacancy and Collection | 5% | (337,482) |
| Net Additional income from Sec. 8 Units | | 6,412,149 |
| Average Additional Income Per Unit | | 8,606.91 |
| | | |
| Debt Service Coverage Ratio | | 1.15 |
| Additional Annual Debt Service Per Sec. 8 Unit | | 7,484 |
| | | |
| Average Additional Mortgage Proceeds Per Sec. 8 Voucher | | $123,579 |
| | | |
| If 25% of Public Housing Units are converted to Project Based Sec. 8 | | 23,016,635 |

Debt Assumptions

| | |
|---|---|
| Amortization | 35 years |
| Interest Rate | 5.0% |

**SECTION 3.12. RESIDENT JOB TRAINING, EMPLOYMENT, SECTION 3 AND SMALL AND MINORITY FIRMS, WOMEN-OWNED ENTERPRISES AND LABOR SURPLUS AREA FIRMS PLAN AND COMMITMENTS**

A. Employ Miami-Dade – Training Programs
B. Section 3 of the HUD Act of 1968
C. Proposer's Commitment to Job Training Classes for Residents – Attachments Included
D. Proposer's Commitment for Total Number of Section 3 Jobs - Attachments Included
E. Development Team - Certified Section 3 Businesses and other Certified Small and Minority Firms, Women-Owned Enterprises and Labor Area Surplus Firms - Attachments Included
F. Affirmative Steps to Comply with HUD CFR 85.36(e) – (Items 1 through 6)
G. Partners and Resources that will Contribute to Liberty City/Liberty Square Well-Being - Attachments Included
H. Confirmation in Writing for Training and Employment of Ex-Offenders – Attachments Included

**Section 3.12- Resident Job Training, Employment, Section 3 and small and minority firms, women-owned enterprises and labor surplus area firms plan and commitments**

**A) Employ Miami-Dade**

Related Urban is committed to implementing multiple construction and post construction job training programs for the residents of Liberty Square Rising which primarily encompasses zip codes 33142 and 33147. A special emphasis will be placed on job training for ex-offenders.

Related Urban has secured an MOU with Miami Dade College to provide numerous training programs at the Carrie P. Meek Entrepreneurial Education Center, which is located just five blocks east of Liberty Square and their North Campus which is less than five miles away. In addition, we have secured an MOU with The Urban Construction Craft Academy ("UCCA") whose office is located at 6300 NW 27th Avenue, just a few blocks west of Liberty Square. The academy is run by William Dozier, a Florida Licensed General Contractor and a retired Miami Dade College and FAMU professor, who specializes in training ex-offenders.

We will begin this training initiative immediately upon the RFA award so we can have as many residents as possible trained prior to commencing construction. The objective is to help Employ Miami-Dade accomplish its goals of connecting employers with potential workers, provide the skills training necessary to prepare the targeted residents to enter the workforce and ensure that Miami-Dade County residents are first in line to be considered for jobs that offer good wages and upward mobility.

Based on Related Urban's past experience, we project that there will be approximately 5,780 construction jobs and 358 post-construction jobs created in the redevelopment of Liberty Square Rising. Related Urban commits to provide a minimum of 20% of the construction jobs created and 75% of the post construction jobs, to Section 3 eligible residents, resulting in 1,158 Section 3 construction jobs and 267 Section 3 post-construction jobs.

Special consideration and first priority for jobs will be given to the residents of Liberty Square Rising, and to persons residing in zip codes 33142 and 33147, and ex-offenders that will participate in the job training programs offered by our job training partners.

**B) Section 3 of the HUD Act of 1968**

Related Urban recognizes that Utilization of Minority (MBE) and Women (WBE) Business Enterprises and Section 3 businesses promotes local economic development and neighborhood improvement. As a strong supporter of the local community, we will ensure that opportunities are provided to qualified DBE, MBE, WBE and Section 3 businesses. Furthermore, we will remain committed to ensure that employment and other economic opportunities, to the greatest extent feasible, are directed to low and very low income persons, particularly persons who are recipients of HUD assistance for housing. This also includes our commitment to provide contracting opportunities to locally owned small or minority businesses. Upon commencement of the construction, Related Urban will seek to meet the goals and objectives consistent with the Presidential Executive Order 11625, 12138 and 12432 and Section 3 standards of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) (Section 3).

**C) Commitment to Job Training classes for residents**

Related Urban is committed to providing excellent job training and certification opportunities as well as job placement services for the residents of Liberty Square Rising. We have strategically partnered with Miami Dade College and The Urban Construction Craft Academy ("UCCA"). Through their programs, we will prepare residents for construction employment in the redevelopment of Liberty Square Rising as well as in the competitive job market after construction completion. A special emphasis will be placed on reaching residents living in the 33142 and 33147 zip codes as well as ex-offenders to offer them job training classes.

Miami Dade College will provide training programs at the Carrie P. Meek Entrepreneurial Education Center ("MDCEC") and at their North Campus. The target participants are typically between the ages of 18 and 24, out of

school and who have a high school diploma or GED. Those who have not received their high school diploma or GED will be supported by having an opportunity to enroll in MDCEC Adult Basic Education and GED Program.

These programs will be offered on a year-round basis during the Fall, Spring and Summer terms with lengths varying from 40 hours, particularly for the basic construction certification programs, to one year for some of the college credit programs. Although we anticipate having sufficient capacity and classroom space available to meet the demand, if interest exceeds the suggested MDCEC anticipated class sizes of 15 to 30 students, we will work with the college to expand their resources in order to accommodate everyone who is interested in participating. No one will be left behind. See attached class schedule and capacity chart.

The partnership with Miami-Dade College will allow Related Urban to offer programs that will prepare the Liberty Square Rising residents for employment opportunities in a number of workforce related industries that will elevate their quality of life. A summary of these workforce and job training programs include:

- TRAMCON: Training and Certification Programs in Manufactured Construction – the TRAMCON program, which is offered at no cost to the participants, is a comprehensive, four tiered program that concentrates on Manufactured Construction and offers different levels of industry-recognized certificates, including Bachelor of Science degrees. Additional fee based certificates are also offered in more than 60 craft specialties including, HVAC, painting, scaffolding, drywall, concrete finishing, masonry, signal person and electrical, to name a few.
- Green Collar Jobs – This program is part of MDC's Green Technology Institute. It is a 40 hour entry level course and includes Photovoltaic Design and Installation, or solar electric training. Miami-Dade College is one of the few institutions in South Florida offering this type of training.
- Entrepreneurship and Advanced Manufacturing – This program is part of MDC's Creative Entrepreneurship Studio. These programs, which include the Lean Manufacturing Certificate and the Entrepreneurship Certificate, are courses in entrepreneurship and engineering that lead to short-term certificates that prepare students for Greenbelt Certification and the skills to become an entrepreneur.
- Other Short-Term Training Options – MDCEC offers various other programs, including certification in Early Childhood Education, Cisco Network Associate, Culinary Arts Management, and Information Technology Support.

  Additionally, the UCCA will offer construction training programs that connect experienced master craftsman with disadvantaged urban youth and young adults.

The programs that UCCA has committed to include are General Liability Academy, Construction Trades Academy, Green Building Academy, Renewable Energy Academy, Arts & Crafts Construction Academy, Technology Academy, and an Entrepreneurship Academy. The programs will be developed, implemented, and staffed by UCCA, which will also work to recruit new students from zip codes 33142 and 33147 and ex-offenders. The capacity per class would not exceed 12 students per academy class. Although we do not anticipate capacity issues, if they arise we will expand our resources in order to accommodate everyone who is interested in participating.

Related Urban will actively work with community residents to promote these programs. Job training classes will have unlimited capacity and offer classes in all construction trades along with several other careers. The classes will be held six days per week with a structured curriculum for anyone who would like to attend.

Related Urban will also encourage residents to participate by offering transportation to the Miami-Dade College North Campus as well as childcare during classes for those parents who are enrolled in our partner's job training and placement programs. See attached the MOU's from Miami-Dade College and the Urban Construction Craft Academy.

**D) Proposer's commitment to total number of Section 3 jobs to be created**

Based on Related Urban's past experience, we estimate that there will be approximately 5,780 construction jobs and 358 post-construction jobs created in the redevelopment of Liberty Square Rising. Related Urban commits to providing a minimum of 20% of the construction jobs created and 75% of the post construction jobs, to Section 3 eligible residents, which will create 1,158 Section 3 construction jobs and 267 Section 3 post-construction jobs.

Special consideration and first priority for jobs will be given to the current residents of Liberty Square Rising, and to persons residing in zip codes 33142 and 33147, and ex-offenders that will participate in the job training programs offered by our job training partners. See attached work plan that demonstrates our projected job creation estimates for construction and post-construction jobs by trade.

To promote community participation and hiring, Related Urban has secured an MOU with The Relocation and Development Firm ("TDF") which is a certified SBE, MWBE and MBE. TDF provides professional consulting and business services to private developers and government agencies. TDF will assist us in developing our local hiring program, perform community outreach and education, coordinate resource fairs and identify qualified Small Business Enterprises ("SBE"), Micro Business Enterprise ("MBE"), Minority / Women Business Enterprise ("M/WBE") businesses. TDF is one of the premier local hiring coordinators in South Florida with a proven track record of success on several major redevelopment projects. Some of their recent projects include All Aboard Florida, the Marriot Marquis World Center, the Miami World Center and Courtside Family Apartments.

We have also brought on The Vailon Group, their President Marsha E. Jackman was the Director of Small Business Development for Miami-Dade County for 12 years.

**E) The following are development team members that we have identified as Certified Section 3 Businesses and other SBE, MBE & WBE Firms:**

**Certified Section 3 Businesses, SBE, MBE, WBE and Suppliers***

| Partner Business Name | Section 3 | SBE, MBE, M/WBE | Small & Minority Firm |
|---|---|---|---|
| Dozier and Dozier Construction Corporation | | | X |
| EBS Engineering | | X | |
| The Relocation and Development Firm | | X | |
| PHS Consulting Service Inc. | | X | |
| Jador International Corporation | X | X | |
| Master Paving Engineering, Inc. | X | X | |
| Perpetual Advancement Enterprises, Inc. | X | X | |
| Proglass System Inc. | | X | |
| Donna E. Milo, Inc. | X | | |
| Constructech Group, Inc. | X | | |
| Ruiz Construction, Inc. | | X | |
| Jasper Enterprises, Inc. | X | X | |
| South Florida Air Conditioning & Refrigeration, Corp. | X | X | |
| Champ Plumbing, Corp. | X | | |
| Traveling Angels Security, Inc. | | X | |
| K Concrete | | | X |
| MCO Construction | | X | |
| Everett Painting Company, Inc. | X | X | X |
| Comprehensive Fire Alarm & Security Systems, Inc. | | | X |
| Lesesne Media Group Entertainment | | X | |
| Bravis Investment Group, LLC | | | X |
| Circle of One Marketing | | X | |
| Aurora Plumbing, Corp. | X | | |
| Builders Choice Restoration LLC | X | | |
| Rainbow Air Conditioning Services, Inc. | X | | |
| JAM Cabinets and Investments, LLC | X | | |

See Attached certifications from several of the referenced Sub-Contractors and Suppliers that are certified Section 3 or other certified minority-owned businesses which have worked in previous Related Urban projects. These subcontractors along with others will be bidding the work for Liberty Square Rising.

**Related Urban commits to using 50% Section 3, SBE, MBE, WBE subcontractors which equates to over $90,000,000.**

The Secretary of HUD, Julian Castro, unveiled the new Section 3 program initiatives during his visit to Miami in March 2015 at our Jack Orr public housing development. The Secretary commended us for our efforts working with Section 3 businesses. We have already lined up several commitments from MBE, WBE and Section 3 firms, evidence of which is attached.

**F) Related Urban commits to take affirmative steps as indicated in HUD CFR 85.36 (e) to include:**

1. Placing qualified small and minority businesses and women's business enterprises on solicitation list.
2. Assuring that small and minority business and women's business enterprises are solicited whenever there are potential sources.
3. Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority business, and women's business enterprises.
4. Establishing delivery schedules, where to requirement permits, which encourage participation by small minority businesses, and women's business enterprises.
5. Using the services and assistance of the Small Business Administration, and the Minority Business Development Agency of the Department of Commerce.
6. Requiring the prime contractor, if subcontract are to be let, to take the affirmative steps listed in paragraphs (e) (2) 1 through 5 above.

**G) Partners that will contribute to the well-being of Liberty Square Rising residents**

To further enhance the community-based services that will be offered to the residents of Liberty Square and the surrounding neighborhood, we have secured additional commitments from several new community-based partners, including the Alonzo Mourning Family Foundation, 100 Black Men of South Florida, Inc, Foundation for Sickle Cell Disease Research, the Vailon Group, Multi Ethnic Youth Group Association, Inc ("MEYGA"), Easter Seals, Casa Valentina, and Addonis Parker a world renowned urban artist who works with kids in the Liberty Square project.

Related Urban has thoughtfully and strategically selected a team of community based partners that are leaders in their fields and established within the community. The original team of community based partners consisted of Miami-Dade College, Jessie Trice Community Health Center, Urban Construction Craft Academy, Martin Luther King, Jr. Institute for Non-Violence, Florida Memorial University, Miami Dade Public Defender's Office, Miami Children's Initiative, YMCA of South Florida, United Way of Miami-Dade, Academica, FIU College of Architecture and the Arts, UM School of Medicine and Public Health, UM School of Architecture, OneUnited Bank, Urgent, Inc CDC, Haitian American CDC, Kareem T. Brantley, Relocation and Development Firm, Circle of One Marketing, Lesesne Media Group Entertainment, and History Miami. See attached community-based partners' information and qualifications.

**H) Training and employment of ex-offenders**

Related Urban is committed to training and employing ex-offenders. The Martin Luther King, Jr Institute for Non- Violence and the Miami Dade Public Defender are key partners of our team. They will spearhead this effort since they have many years of experience handling the legal challenges that ex-offenders face while training to get back into the workforce. See attached commitments and experience.

**SECTION 3.12. C) ATTACHMENT**

Proposer's Commitment to Job Training Classes for Residents

Miami Dade College

North Campus

July 6, 2015

Mr. Al Milo
Principal and Vice President
Related Urban Development Group, LLC
315 S. Biscayne Boulevard
Miami, FL 33131

**RE: LIBERTY SQUARE RISING PROJECT DESCRIPTION WITH RUDG, LLC**

Dear Mr. Milo:

Thank you for your interest in Miami Dade College, North Campus as a collaborating partner in your company's proposal to redevelop the Liberty Square Public Housing Community. This letter of support is being submitted in conjunction with the proposal and is subject to the project being awarded to the Related Urban Development Group, LLC ("RUDG, LLC").

Miami Dade College is dedicated to providing its community with employment preparation that meets industry standards that reflect the latest technology. The proposed training program, coupled with close relationships to business and industry, will result in consistent job placements. Contingent upon the project being awarded to RUDG, LLC Development Team and funding to accomplish these goals, Miami Dade College, North Campus and Entrepreneurial Education Center is willing to partner with the RUDG, LLC to provide the following job training and certification programs to residents of the Liberty Square Public Housing Development to prepare them for career and employment opportunities in a variety of workforce-related industries.

## I. Workforce and Job Training Programs

### A. TRAMCON: Training and Certification Programs in Manufactured Construction

The **TRAMCON Consortium** was created to fill the skills gap in the Manufactured Construction industry. The consortium is made up of four Florida colleges of which Miami Dade College is the consortium leader and includes partnerships with the University of Florida; industry associations; CareerSource Florida workforce investment boards; and local employers.

The TRAMCON program is made up of credentials that go from entry-level vocational training to four-year Bachelor of Science degrees. This program is offered at no cost to the participants and is modularized, multi-entry, and multi exit. Credit for prior learning may also be awarded.

The four tiers to the program include industry-recognized certificates:

I. Manufactured Construction: Foundation
(OSHA 10-Hr Card / MSSC-CPT / NCCER Core Certificate)

II. Manufactured Construction: Basic
(NCCER Manufactured Construction Level 1)

III. Manufactured Construction: Advanced
(NCCER Manufactured Construction Level 2)

IV. Manufactured Construction: Supervisor
(OSHA 30-Hr Card / MSSC Green Prod. Certificate)

Participants that complete all four TRAMCON levels can earn up to 16 hours of credit that count towards the 30 credit Building Construction Specialist - College Credit Certificate (CCC). These credits may in turn be applied toward the: Associate Degree in Science in Building Construction Technology and the Bachelor Degree in Construction Management or Engineering Technology.

MDC offers additional **NCCER Certifications**, for an additional fee, more than 60 craft specialties including, but not limited to, HVAC, painting, scaffolding, drywall, concrete finishing, masonry, signal person and electrical, to name a few.

B. Green Collar Jobs

Miami Dade College's **Green Technology Institute** at the North Campus is offering courses on Photovoltaic Design and Installation, or solar electric training (panel installation). MDC is one of the few institutions in South Florida offering this training. The 40-hour entry level solar electric training course provides students and working professionals with basic knowledge of solar photovoltaic (PV) cells, modules, system components, electrical circuits, PV system design, code requirements, solar electric products and applications, and much more. It also focuses on providing real-world, hands-on experience, knowledge of safety and construction issues, and inspection procedures. Those who complete the course qualify to sit for the North American Board of Certified Energy Practitioners (NABCEP) PV Entry Level Exam. Additional courses offered include available for short-term training include Entry Level NABCEP; Entry Level Exam Review; Advanced Solar Design; NABCEP Certified PV Installer Exam Prep and Solar Thermal Design and Installation.

C. Entrepreneurship and Advanced Manufacturing

Miami Dade College's **Creative Entrepreneurship Studio** at the Carrie P. Meek Entrepreneurial Education Center is a unique suite of programs and courses that takes a two-pronged approach to your entrepreneurial goals: a good idea + lean engineering + good design. The entrepreneurship and engineering courses lead to short-term certificates and prepare students with knowledge leading to Greenbelt Certification.

The Lean Manufacturing Certificate (12 credits) comprises four (4) courses including Introduction to

Quality Assurance; Concepts of Lean and Six Sigma; Advanced Manufacturing Supply Chain and Advanced Manufacturing Technology.

The Entrepreneurship Certificate is comprised of four courses (12 credits) in Introduction to Entrepreneurship; Introduction to E-Commerce, Fundamentals of Selling and Small Business Management.

D. **Other Short-Term Training Options (Sample):**

- College Credit Certificates in Early Childhood Education (12 credits each) in Infant and Toddler; Preschool Administration; and Administrator Track.
- College Credit Certificate in Cisco Network Associate (16 credits)
- College Credit Certificate in Culinary Arts Management (18 credits)
- College Credit Certificate in Information Technology Support (28 credits)

**Instructors**

All instructors will be hired through Miami Dade College and additional classroom trainers and field supervisors will be industry trained and certified, including professionals from throughout the Miami Dade Chapters of the U.S. Green Building Council and the Institute of Real Estate management.

**Target Participants and Recruitment:**

Program participants will come from the targeted neighborhood (33142, 33147, and 33150) revitalization area or the larger Miami Dade County community. They are between the ages of 18 and 24, out-of-school and typically have a high school diploma or GED. Those without a high school diploma or GED will be supported to enroll in the Miami Dade College, Entrepreneurial Education Center, Adult Basic Education and GED program.

**Length and Frequency of Training**

The training is available to be offered on a year-round basis during the Fall, Spring and Summer terms. Program lengths vary from as little as 40 hours (particularly in the basic construction certifications to one year for some of the college credit programs). Some non-credit and/or vocational courses are eligible for conversion to community college credit.

**Measures of Success and Evaluation**

Data based upon implementation of the program in other major U.S. cities resulted in approximately 60% of the participants took advantage of their educational vouchers to pursue higher education. An evaluation component will be structured to determine success outcomes and develop a system for follow-up evaluation.

**Relationship with Potential Employers**

Training and work experience will be provided by industry employers including private sector energy firms, local utility companies, governmental water and sewer and water conservation programs.

**Relationship with Organized Labor**

Partnerships and collaborations with local organized labor and union organizations will be developed to afford participants the opportunity to obtain apprenticeship and journeyman experience and jobs within these organizations.

**Key Relationships**

Partners will include the Miami Dade County/South Florida Chapter of the U.S. Green Building Council, the Urban Construction Crafts Academy, the Institute for Real Estate Management, Federal Department of Housing and Urban Development, Greater Miami Service Corps Youth Build, the Urban League of Miami Dade County, South Florida Community Development Coalition, Employ Miami Dade, Neighbors and Neighbors Association and area churches and faith-based organizations.

## II. Creation of the MDC Entrepreneurship and Workforce Training Center (EWDC)

In a groundbreaking and innovative partnership, RUDG, LLC has agreed to help spearhead the efforts to fund the construction of an expansion to the Miami Dade College, Entrepreneurial Education Center, to create the new MDC Entrepreneurship and Workforce Development Center (EWDC). This new 30,000 square foot state-of-the-art educational and technical skills training center will focus on workforce development, entrepreneurship and construction related programming to meet the career and job training needs of the surrounding communities and other similar areas throughout Northwest Miami Dade County. The EWDC is a collaborative funding effort between Related Urban and Miami Dade College, as well as local industries. The EWDC will be constructed in accordance with applicable laws and College policies and procedures.

In addition, RUDG, LLC will assist Miami Dade College obtain an allocation of New Market Tax Credits through its banking relationships, that can be combined with IDA bonds issued through the Miami Dade County Industrial Development Authority to help fund the expansion and construction of the EWDC.

The purpose of the Entrepreneurship and Workforce Development Center is to create an education and training center to support local industries by offering learning opportunities from elementary through post-secondary in industries of economic influence within the county. The EWDC will offer a complete continuum of education and workforce training options ranging from ABE/GED programs to short term certificates, two and four-year degrees to customized industry-focused training programs.

## IV. Miami Dade College Stipulations

The Miami Dade College, North Campus – including the Entrepreneurial Education Center will provide the following academic and support services with funding secured by Related Urban, private and public sector partners, and other external funding resources:

1. Provide a full array of Student Services support inclusive of recruitment, advisement, testing, registration and financial aid (based upon eligibility), and tutorial support.

2. Development of curriculum and delivery mechanisms (on-campus and off-site)
3. Provide qualified and credentialed instructors in all programs and courses
4. Collaboration on resource development proposal (research and development) to external funding sources
5. Assistance with program marketing and promotional support
6. Outreach, conduct screening sessions, and develop customized assessment plans for clients
7. Organize clients and appoints and facilitate referrals to partnering agencies
8. Conduct follow-up with both clients and partnering agencies regarding referrals and outcomes
9. Coordinate career themed events and workshops that encompasses career advice and social service advice and information

We look forward to working together to forge a collaboration that will yield tremendous benefits for the residents of the Liberty City Square Development.

Sincerely,

Lenore Rodicio

Dr. Lenore Rodicio
Provost for Academic & Student Affairs
Miami Dade College

Accepted on behalf of the RUDG, LLC:

Alberto Milo, Jr

Mr. Alberto Milo, Jr
Principal and Vice President

**MIAMI DADE COLLEGE, NORTH CAMPUS/EEC LIBERTY SQUARE STRENGTHENING KNOWLEDGE IN LEADING LABOR SECTORS (S.K.I.L.L.S.) Program (Workforce and Job Training Programs)**

| PROGRAM | CAPACITY | TIMELINE |
|---|---|---|
| Manufactured Construction<br><br>Building Construction Specialist (18 Credits) | Maximum: 30 Students Per Class | Fall/Spring Terms: 2 8-week sessions/2 classes per session<br><br>Summer Terms: 1 class per 6-week session (2 classes during 12-week summer term) |
| Solar Photovoltaic | Maximum: 15 Students Per Class | Customizable and Online |
| Entrepreneurship (12 Credits) | Maximum 30 Students Per Class | Fall/Spring Terms: 2 8-week sessions/2 classes per session<br><br>Summer Terms: 1 class per 6-week session (2 classes during 12-week summer term) |
| Graphic Design (16 Credits) | Maximum: 14 Students Per Class | Fall/Spring Terms: 2 Classes per 16-week session (2 classes per session)<br><br>Summer Terms: 1 class per 6-week session (2 classes during 12-week summer term) |
| Lean Manufacturing (12 Credits) | Maximum: 30 Students Per Class | Fall/Spring Terms: 2-8-week sessions/2 classes per session<br><br>Summer Terms: 1 class per 6-week session (2 classes during 12-week summer term) |

| | | |
|---|---|---|
| Early Childhood Education (12-Credits) | Maximum: 25 Students Per Class | Fall/Spring Terms: 2 Classes per 16-week session (2 classes per session)<br><br>Summer Terms: 1 class per 6-week session or 1 Class per 12-week session (1 classes during 12-week summer term due to field study) |
| CISCO Network Associate (16-Credits) | Maximum: 30 Students Per Class | Fall/Spring Terms: 2-8-week sessions/2 classes per session<br><br>Summer Terms: 1 class per 6-week session (2 classes during 12-week summer term) |
| Information Technology<br><br>• Information Technology Support (28 credits)<br>• Help Desk Support (16 credits)<br>• Computer Installation/Repair (16 credits) | Maximum: 30 Students Per Class | Fall/Spring Terms: 2- 8-week sessions/2 classes per session<br><br>Summer Terms: 1 class per 6-week session (2 classes during 12-week summer term) |
| Culinary Arts Management (18-Credits) | Maximum: 20 Students Per Class | Fall/Spring Terms: 2 Classes per 16-week session (2 classes per session)<br><br>Summer Terms: 1 class per 6-week session (2 classes during 12-week summer term) |
| Supply Chain Management<br><br>• Intermodal Freight Transportation (18 credits)<br>• International Freight Transportation(15 credits) | Maximum: 30 Students Per Class | Fall/Spring Terms: 2 Classes per 16-week session (2 classes per session)<br><br>Summer Terms: 1 class per 6-week session (2 classes during 12-week summer term) |

| | | |
|---|---|---|
| Homeland Security (15-Credits) | Maximum: 30 Students Per Class | Fall/Spring Terms: 2 Classes per 16-week session (2 classes per session)<br><br>Summer Terms: 1 class per 6-week session (2 classes during 12-week summer term) |
| Business Specialist - Human Resources (12-Credits) | Maximum: 30 Students Per Class | Fall/Spring Terms: 2 Classes per 16-week session (2 classes per session)<br><br>Summer Terms: 1 class per 6-week session (2 classes during 12-week summer term) |

# CONFIDENTIAL MEMORANDUM OF UNDERSTANDING

**PURPOSE** This Memorandum of Understanding (MOU) establishes an EXCLUSIVE prime contractor / subcontractor relationship between RUDG URBAN DEVELOPMENT GROUP ("RUDG") and THE URBAN CONSTRUCTION CRAFT ACADEMY ("UCCA") for purposes of submitting a proposal to MIAMI-DADE COUNTY ("MDC") in response to the forthcoming solicitation may it be a Request for Proposal (RFP), or Request for Qualifications (RFQ) for THE LIBERTY SQUARE DEVELOPMENT PROJECT ("PROJECT"). This agreement is effective when signed by all parties acknowledging their
understanding and acceptance.

## RECITALS

**WHEREAS,** RUDG has a history of successful affordable housing projects to its credit, understands the importance of not only providing quality facilities but also of hiring from within the community in an effort to leave more than just a structure once the project is complete. Investing in the community through workforce, and desires to team with a qualified and experienced construction training program for purposes of submitting a proposal to MDC in response to their forthcoming solicitation for the Project.

**WHEREAS,** UCCA is an inter-generational construction training program which connects the skills of experienced master craftsman to a new generation of urban youth and young adults who have been marginalized by existing social systems. The UCCA programs include General Literacy Academy, Construction Trades Academy, Green Building Academy, Renewable Energy Academy, Arts & Crafts Construction Academy, Technology Academy, and an Entrepreneurship Academy. And desires to team with RUDG for purposes of submitting a proposal to MDC in response to the forthcoming solicitation for THE LIBERTY SQUARE DEVELOPMENT PROJECT ("PROJECT").

**WHEREAS,** The parties agree that this is an exclusive agreement, and shall not permit any of its respective subsidiaries or affiliates, and will cause its respective officers, directors, employees, agents and representatives not to, at any time subsequent to the execution of this Confidential Memorandum of Understanding and One-Year (360) days subsequent to the commencing on the project (the "Exclusivity Period"), to directly or indirectly, (a) solicit, initiate or encourage submission of further proposals or offers from any person, other than RUDG, relating to the proposal to MDC in response to the forthcoming solicitation for THE LIBERTY SQUARE DEVELOPMENT PROJECT ("PROJECT").

**WHEREAS,** The parties further agree not to continue to solicit or otherwise further cooperate in any way with, or assist or participate in, facilitate or encourage, any effort or attempt by any other person other than RUDG to do or seek any work, offer or proposal in connection with the instant project. During the Exclusivity Period, UCCA shall promptly advise RUDG if any such proposal or offer, or any inquiry or contact with any person with respect thereto, is made, and shall promptly inform RUDG of all the terms and conditions thereof, and shall furnish to RUDG copies of any such written proposal or offer and the contents of any communications in response thereto.

**NOW THEREFORE**, based on the premises contained herein above and in consideration of the mutual covenant, conditions and promises, the parties hereto agree as follows:

**SCOPE** Under this MOU, RUDG and UCCA will jointly submit a proposal to MDC in response to the forthcoming solicitation for THE LIBERTY SQUARE DEVELOPMENT PROJECT ("PROJECT").

1. RUDG will be the prime contractor submitting the proposal.
2. UCCA will be the subcontractor at a minimum participation to be determined by the parties, but in no event less than 10% of the project value, and/or as specified and mutually agreed.
3. RUDG and UCCA will work collectively on the proposal pricing so as to provide the most cost effective submittal to MDC.
4. Each party will carry and provide their respective proportional share of expenses and encumbrances rationally RUDG to the project.

**RUDG's Primary Responsibilities:**

1. Fund Project Management & Administration
2. Fund Operation and Supervision
3. Budgeting
4. Provide on-site training facility
5. Sponsor students

**UCCA's Primary Responsibilities:**

1. Develop and implement a training program
2. Recruit new students utilizing media and resources provided by current participants
3. Hire instructors and support staff who will oversee and execute day to day operations
4. Train eligible participants in the following programs:
5. General Literacy Academy
6. Construction Trades Academy
7. Green Building Academy
8. Renewable Energy Academy
9. Arts & Crafts Construction Academy
10. Technology Academy
11. Entrepreneurship Academy

**Disputes and Protests** If a dispute or protest arises, the parties will attempt to first negotiate a settlement in good faith. Should that fail, both parties agree to a decision rendered by a mutually acceptable mediator.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized officers on the dates set forth below.

**UCCA:**

**THE URBAN CONSTRUCTION CRAFT ACADEMY**

By _____

Printed Name: William L. Dozier
Title: Director
Date: July 8, 2015

**RUDG:**

**THE RELATED URBAN DEVELOPMENT GROUP**

RUD,G, LLC

By _____

Printed Name: Albert Milo, Vice President
Title: Senior Vice President
Date: July 8, 2015

**SECTION 3.12. D) ATTACHMENT**

Proposer's Commitment for Total Number of Section 3 Jobs

## 3.12 D. Section 3 Jobs To Be Created During Construction and Post-Construction - Work Plan

| Residential | Units | Construction Jobs/Unit [1] | Construction Jobs Created | Section 3 Constr Jobs [2] | Post-Construction Jobs | Post-Construction Section 3 Jobs [3] |
|---|---|---|---|---|---|---|
| Phase 1A | 216 | 3.12 | 674 | 135 | 6 | 4 |
| Phase 1B | 216 | 3.12 | 674 | 135 | 6 | 4 |
| Phase 2 | 216 | 3.12 | 674 | 135 | 6 | 4 |
| Phase 3A | 216 | 3.12 | 674 | 135 | 6 | 4 |
| Phase 3B | 144 | 3.12 | 449 | 90 | 4 | 3 |
| Phase 4A | 60 | 3.12 | 187 | 37 | 2 | 1 |
| Phase 4B | 120 | 3.12 | 374 | 75 | 4 | 3 |
| Phase 4C | 120 | 3.12 | 374 | 75 | 4 | 3 |
| Phase 4D | 240 | 3.12 | 748 | 150 | 6 | 4 |
| Subtotal | 1,548 | | 4,828 | 967 | 44 | 30 |

| Amenities, Service & Retail | Sq Ft | SqFt/Constr Job [4] | Construction Jobs Created | Section 3 Constr Jobs [2] | Post-Construction Jobs | Post-Construction Section 3 Jobs [3] |
|---|---|---|---|---|---|---|
| Mourning Brownsville Youth Center | 20,000 | 214 | 93 | 19 | 40 | 30 |
| Liberty Square Community Center | 20,000 | 214 | 93 | 19 | 5 | 4 |
| Mourning Liberty City Youth Center | 20,000 | 214 | 93 | 19 | 40 | 30 |
| School for Special Needs | 15,000 | 214 | 70 | 14 | 12 | 9 |
| YMCA Family Center | 20,000 | 214 | 93 | 19 | 40 | 30 |
| Sickle Cell Foundation | 2,500 | 214 | 11 | 2 | 5 | 4 |
| Jessie Trice Community Center | 7,500 | 214 | 35 | 7 | 25 | 19 |
| Liberty City Museum | 4,500 | 214 | 21 | 4 | 2 | 2 |
| Adult Eduction Center | 10,000 | 214 | 46 | 9 | 15 | 11 |
| Community Education/Civic Center | 30,000 | 214 | 140 | 28 | 40 | 30 |
| Mom and Pop Retail | 15,000 | 214 | 70 | 14 | 30 | 23 |
| Grocery Store | 40,000 | 214 | 187 | 37 | 60 | 45 |
| Subtotal | 204,500 | | 952 | 191 | 314 | 237 |
| **Total** | | | **5,780** | **1,158** | **358** | **267** |

**Notes:**

[1] Data is based on actual construction workers hired in the construction of the Joe Moretti public housing development, which is 116 units

[2] Based on the Related Urban commitment of **20%** Section 3 construction jobs to be created.

[3] Based on the Related Urban commitment of **75%** Section 3 post-construction jobs to be created.

[4] Data is based on actual construction workers hired in the construction of the Joe Moretti public housing development, which is approximately 77,372 square feet.

## 3.12 D. Section 3 Jobs To Be Created By Trade during Construction - Work Plan

| | Construction Jobs by Trade [1] | % of Employees by Trade | Liberty Square Rising Employees [2] | Estimated Section 3 Hires by Trade [3] |
|---|---|---|---|---|
| General Labor | 6 | 1.66% | 95 | 19 |
| Demolition | 16 | 4.42% | 255 | 51 |
| Civil/Site Work | 28 | 7.73% | 447 | 90 |
| Structural/Shell | 114 | 31.49% | 1,820 | 364 |
| Windows | 9 | 2.49% | 143 | 29 |
| Stucco | 10 | 2.76% | 159 | 32 |
| Roof | 5 | 1.38% | 80 | 16 |
| Paint | 12 | 3.31% | 192 | 38 |
| drywall | 25 | 6.91% | 399 | 80 |
| Carpentry/Millwork | 8 | 2.21% | 128 | 26 |
| Tile/Flooring | 33 | 9.12% | 527 | 106 |
| Cabinetry | 15 | 4.14% | 240 | 48 |
| Elevator | 4 | 1.10% | 64 | 13 |
| Mechanical/HVAC | 7 | 1.93% | 112 | 22 |
| Plumbing | 12 | 3.31% | 192 | 38 |
| Electrical | 15 | 4.14% | 240 | 48 |
| Fire Alarm | 7 | 1.93% | 112 | 22 |
| Fire Sprinkler | 22 | 6.08% | 351 | 71 |
| Security | 3 | 0.83% | 48 | 10 |
| Railings | 6 | 1.66% | 96 | 19 |
| Insulation | 5 | 1.38% | 80 | 16 |
| | 362 | 100.00% | 5,780 | 1,158 |

**Notes:**

[1] Actual employment data provided from the construction of the Joe Moretti public housing development.

[2] The total estimated construction jobs for Liberty Square Rising were calculated on the attached Section 3 Jobs Created Schedule

[3] Related Urban commits to **20%** Section 3 jobs to be created. The Section 3 jobs to be created by trade are estimates.

# Our Expertise

The Development Firm (TDF) provides professional consulting and business services for community development corporations, government and private developers.

## Community Outreach

TDF is capable of developing and implementing your company's community outreach plan, efforts and events.
TDF utilizes grassroots and traditional strategies to educate and engage residents, community-based organizations, public agencies and businesses within the target project area.

## SBE/MBE M/WBE

TDF facilitates the development, implementation, and direction of your company's minority business participation program. This includes developing and directing a meaningful and effective outreach and assistance program to establish a solid pool of qualified minority & women owned business.

## Workfoce Development

TDF is one of the premier local hiring coordinators in South Florida. Over the years we have witnessed our successes on several redevelopment projects in identifying skilled and unskilled workers.
Currently we are engaged with several projects within the Greater Miami-Dade community.

CONTACT US NOW

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THE DEVELOPMENT FIRM™



# Projects

We provide strategic and innovative solution/s that offer building blocks for a successful project while embracing your companys' orgizational mission and goals.

## All Aboard Florida

All Aboard Florida is a passenger rail project connecting Miami to Fort Lauderdale, West Palm Beach and Orlando. Developed by Florida East Coast Industries, this rail service will give residents and visitors an alternative to congested highways and airport terminals.
The Miami Station, known as MiamiCentral, will serve as part of a mixed-use development and connect to the Metromover, Metrorail, County bus and City of Miami trolley systems.

## MDM Group USA

The Marriott Marquis Miami Worldcenter is poised to establish its place as the nation's pre-eminent downtown convention hotel while being at the center of one of the most exciting urban developments in the world.
With a dominant physical presence that symbolizes the continued maturation of Miami as a global destination, the hotel is at the center of a variety of business and leisure activities including Miami's rapidly evolving art, design, sports and culinary venues.

## Miami World Center

One of America's most exciting cities is giving rise to a vibrant new center. At nearly 30 acres, Miami Worldcenter achieves the heights of a world-class destination. It is within walking distance of over $3 billion in new public and private projects in mass transit, cultural institutions, recreational parks, and entertainment venues. A dynamic urban core of diversity and excitement, Miami Worldcenter brings a new energy to Miami with a compelling blend of exceptional retail, hospitality, and residential offerings in one unique location.
TDF ensures the community is engaged properly with opporunity and growth.

## Courtside Family Apartments

Courtside Family Apartments is located in Miami's historic Overtown district and is a new construction, six-story midrise development with 84 affordable apartments within the boundaries of the SEOPW CRA.
The new community aims to create a more pedestrian friendly environment on the grounds of the Culmer Center and serve as a catalyst for future development in the area, as well as provide residents with access to governmental services, small business opportunities, and neighborhood-oriented shopping.

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THE Relocation AND DEVELOPMENT FIRM
HELPING YOU ACHIEVE YOUR GOALS

4952 NW 7th Avenue Miami, FL 33127
office@therelocationfirm.com
786-663-5509ph

**Purpose**

Provide professional relocation consulting services for community development corporations, government and private developers. Also perform relocation services following the guidelines under the Uniform Relocation Assistance and Real Property Acquisition Act of 1970, as amended.

**Scope of Services**

Uniform Relocation Assistance Act Relocation Services

Determine eligibility for relocation assistance

Conduct needs assessments

Issue required Eligibility Notices

Locate comparable replacement dwellings for eligible tenants

Assist tenants with the completion of HUD Claim Forms for Moving and Related Expenses and Rental Assistance

Complete HUD Management Report for Residential Relocation

Maintain displaced tenant files

Provide moving services for tenants to replacement dwellings

General Relocation Services

Determine eligibility for relocation assistance based on clients needs

Conduct needs assessments for tenant resource and referral

Issue necessary tenant notices

Locate comparable replacement dwellings for eligible tenants

Assist tenants with completion of relocation assistance forms based on clients needs

Complete management reports for clients

Maintain tenant case files

Provide moving services for tenants to replacement dwellings

Prepare policy and procedures manual based on clients needs

**Summary of Qualifications**

Performed relocation services for City of Miami and Miami Dade County development projects being performed by Community Development Corporations and private developers using CDBG funds, HOPWA funds and private financing. Successfully relocated over 100 families within required time frame.

**Clients**

| | | |
|---|---|---|
| 2007 | ICE Development Group/Urbana Holding II | Miami, FL |
| 2007 | Miami Beach Community Development Corp. | Miami, FL |
| 2002-2003 | Urban League of Greater Miami, Inc. | Miami, FL |
| 2001-2002 | Spring Gardens Civic Association | Miami, FL |
| 2000-2001 | BAME Development Corporation | Miami, FL |
| 1999–2000 | Gatehouse Group, Inc. | Miami, FL |

**Specialized Training**

U.S. HUD Department of Housing and Urban Development Acquisition and Relocation Training
September 26-27, 2002 Miami, FL

# Memorandum of Understanding

Between

The Relocation and Development Firm, Inc.
and

RUDG, LLC

This Memorandum of Understanding (MOU) sets forth the terms and understanding between the parties.

**Background**

The Relocation and Development Firm offers development of a comprehensive community outreach and education strategy to include facilitating community education and outreach to residents, community-based organizations, public agencies and business organizations within the target project area in order to promote good will, solicit public input and concern and promote the community benefits of the project. The Relocation and Development Firm also provides professional relocation consulting services for community development corporations, government and private developers under the Uniform Relocation Assistance and Real Property Acquisition Act of 1970, as amended and independently of this process.

**Purpose**

The Relocation and Development Firm may also provide: (subject to negotiations)

A. Community outreach, job fairs and education to the residents and community based organizations to transition participants successfully into the workforce. Emphasis will be given to residents that reside in zip codes 33142 and 33147 and that are ex-offenders and participate in one of the following job training programs offered.
B. Relocation Services:
    1. Conduct housing need assessments with those being relocated
    2. Assess eligibility of tenants for relocation assistance
    3. Complete housing and social service need assessments with those being relocated
    4. Collect required documentation to determine appropriate replacement housing (ex. income verification, utility bills, etc.)
    5. Maintain tenant files to include: assessments, site occupant forms, back-up documentation, contacts, case notes, referrals, proof of identification and income
    2. Complete management report detailing status of impacted persons, Phase I
    3. Collect required documentation to determine relocation options based upon income, family size, background screening (if applicable)

by:

The Relocation and Development Firm

Date:

RUDG, LLC

Date: 7/8/15

## EXECUTIVE BIO:
## MARSHA E. JACKMAN, PRESIDENT OF THE VAILON GROUP

**Marsha Evans Jackman** serves as president of a recently formed company, **The Vailon Group**. This corporation was formed to assist in the development of business partnerships and provide business development and management strategies. As president of this company, there is a special interest in reaching out to very serious and viable companies that want to grow and diversify. Additionally, there is a need to extend an olive branch to governmental agencies and private companies in order to help achieve diversity as they strive to attain their goals and objectives.

For thirty years, Marsha served in Miami-Dade County. The last 12 years of her tenure, she served as the Director of Business Development (DBD) overseeing a staff of 100+ employees and providing oversight management for a budget of $8,000,000 and a proposed program budget of $15,000,000. She was responsible for assisting all County departments with the implementation of their capital development programs, which included Aviation, Seaport, Public Works and the Water and Sewer Department. Her department was solely responsible for implementing all the diversity programs mandated from either the federal government or local municipalities. She administered the federal Disadvantaged Business Enterprise (DBE) program and was responsible for Miami-Dade County's Minority Business Enterprise programs and created and implemented all of the local Community Small Business Enterprise (CSBE) programs in the areas of construction, design and engineering and procurement. Other cities and municipalities used this program as a basis to create programs for their community. During her term, the County awarded 2,372 projects totaling $6.5 billion and of those awards, 1,175 projects had small business measures that totaled $650 million dollars or 10% respectively.

She was responsible for transforming outdated minority programs into productive small business programs through strategic objectives and ultimately turning them into successful businesses and profitable initiatives.

Having a thorough understanding of the inner workings of government can be attributed to hard work and working on various levels of county government. Marsha served as the Agenda Coordinator where was responsible for the overall coordination of the official agenda for the Board of County Commissioners. This responsibility enabled her to help set the framework of the County as well as provided her with a clear understanding of how government worked. This garnered her the experience not only start her own business, but to serve as a consultant and coach to businesses and educate them in the importance of how to market and succeed in their business.

A commitment that goes beyond reproach of her professional responsibilities, Marsha is truly committed to serve community. She has served as president to the local chapter of the National Forum for Black Public Administrators, president of the Miami/Bahamas Goombay Festival (2002-2006), a member of American Society of Public Administrators, Greater Miami Chamber of Commerce, Miami Dade Chamber of Commerce, National Political Congress of Black Women and Delta Sigma Theta Sorority Incorporated.

Marsha has taken every opportunity to leverage her communication and business abilities throughout her professional career by utilizing her extraordinary attributes and humanistic sensitivity. This served her well in her public career and allowed her to help so many professionally and personally. Today, she stands tall and maintains her passion to help, motivate and successfully coach businesses and create partnerships in both the public and the private sectors.

She holds a degree in Communications with a minor in Politics and Public Affairs from the University of Miami and a Masters of Science in Management from Saint Thomas University. She was one of few selected by Price Waterhouse for an extensive training in Productivity Management. Her formidable years were completed at Ransom Everglades, formally Everglades School For Girls.

**SECTION 3.12. E) ATTACHMENT**

Certified Section 3 Businesses and other Certified Small and Minority Firms, Women-Owned Enterprises and Labor Area Surplus Firms

MIAMI-DADE COUNTY
Carlos A. Gimenez, Mayor

Public Housing and Community Development
701 NW 1st Court • 16th Floor
Miami, Florida 33136-3914
T 786-469-4100 F 786-469-4199

miamidade.gov

March 17, 2015

Mr. Albert Milo Jr.
RUDG, LLC
315 S. Biscayne Blvd. 4th Floor
Miami, Fl. 33131

RE: Section 3 Business Certification*

Dear Mr. Milo:

Public Housing and Community Development (PHCD) has reviewed your application for a Section 3 Certified Business and determined that RUDG, LLC currently meets the requirements for approval as a Section 3 Certified Business Category Five (5) Land Development and Sales Contractor. The Section 3 (S-3) business certification is subject to subsequent periodic recertifications.

Your firm is required to notify PHCD within 30 days of any changes in employee composition, including full-time and part-time employees. If any new hire activity has occurred, and S-3 employees are hired, please provide PHCD with copies of "Section 3 Employee or Resident Preference Claim" and "Household Income Verification," or proof of participation in Public Housing, Section 8 or other federally-assisted housing program, within 30 days of each occurrence. In order to be eligible to claim a contracting preference, you must attach "Section 3 Letter of Intent" form as evidence of your contracting commitment to said subcontracting firm(s) with bid or proposal. You are responsible for retaining your recruitment and selection records in relation to this new hire activity for a period of three (3) years.

As a PHCD S-3 certified business, you have made a commitment to follow PHCD's recruitment/selection guidelines whenever you have a need for new workers, giving first priority to persons residing in Public Housing, Section 8, and other federally-assisted housing, and then, to other low-income Miami-Dade County residents.

In order to claim the Section 3 certified business preference for any PHCD bid, your firm is required to submit the Section 3 preference claim documents with your bid during the bidding process. In order to claim Section 3 preference, a firm must be certified for 2 weeks prior to the bid opening date.

If you have any questions, please feel free to contact me.

Sincerely,

Jesus Hernandez
Section 3 Coordinator

* PHCD Section 3 Business Certification is good for one year from date of issuance

# Resume

## PROFESSIONAL PROFILE

William L. Dozier

19435 NW 43 Avenue
Miami, FL 33055
Tel: • (305) 624-5274
Fax • (305) 625-1452

# PROFESSIONAL PROFILE


## William L. Dozier

19435 NW 43 Avenue
Miami, FL 33055
Telephone: (305) 624-5274


## SUMMARY OF QUALIFICATIONS

- Twenty-one years of experience in teaching, business management, labor relations, finance, budgeting, operations, risk management, personnel and public relations.
- Extensive leadership experience negotiating with management level private sector and government officials and coordinating projects on all levels.
- Strong organizational background with hands-on CEO, COO and executive management experience in construction, engineering and educational fields.
- Experienced as Expert Witness in construction related civil and criminal litigation.

## AREAS OF EXPERIENCE

| | | |
|---|---|---|
| Management | Program Development | Personnel evaluation |
| Policies/Procedures | Coordinating/Organizing | Training Program Development |
| Budgeting | Contract negotiating | Accounting/Statistics |
| Procurement | Asset management | Product development |
| Customer support | Strategic planning | Forecasting |
| Market research | Risk management | Consulting |

## EDUCATION AND TRAINING

- **Masters Degree** - Construction Management - Florida International University, Miami, FL - 1989.
- **Bachelor of Science** - Construction Management and Architectural Technology - Florida International University, Miami, FL - 1975.
- **Associate of Arts** - Architecture - Miami Dade Community College - 1974.
- **Carpentry Apprentice Program** - Local # 1947 Brotherhood of Carpenters and Joiners - Broward County, FL - 1968 - 1971.

## LICENSES

- **General Contractors License** Number CGC 056636 State of Florida.
- **Roofing Contractors License** Number CLL 056870 State of Florida.
- **Residential Contractors License** Number CRC 16599 State of Florida.
- **Certified General Contractor** Number 958500225 Dade County, Florida.
- **Engineering** Number E484 Dade County, Florida

## TEACHING EXPERIENCE

- **Adjunct Professor** - Florida International University - Teaching classes in Civil Engineering • 1988 - Present.
- **Adjunct Professor** - Florida A & M University - Teaching classes in Civil Engineering • 1988 Present.
- **Associate Professor, Sr.** Miami-Dade Community College - Teaching classes in Architecture and Building Construction • 1977 - 2003.
- **Instructor** - Dade County Public Schools - Taught Industrial Arts and Mathematics • 1975 1977.

Teach classes in Building Codes, Estimating, Plan Interpretation (Blueprint Reading), Architectural Materials & Methods - Includes model building and materials testing, and Job Cost Scheduling. Other courses taught include Construction Law, Contract Reading, and Contract Administration.

## SPECIAL PROJECTS

- **Developed and taught** classes for City of Opa Locka, FL. Fifty six unskilled residents were trained in basic construction skills.
- **Developed and taught** classes for HUD in areas of general construction skills such as painting, carpentry, electrical and plumbing repairs. The 176 participants employed by HUD who participated in the program were unskilled laborers through journeyman craftsmen. All participants completed the program and received position reclassifications with HUD.
- **Consultant** to Domes of America, 1984. Project New Ideas in Construction and Entrepreneurship for Women.
- **Facilitator for Leadership Conferences** for Leadership Conferences - Miami-Dade Community College.
- **Consultant** on affordable Housing to Congresswoman Carrie Meek.
- **Facilitator** for National Black Student Retention Conferences.

## EMPLOYMENT HISTORY

### DOZIER & DOZIER CONSTRUCTION COMPANY, Miami, FL (1977 - Present)

State certified construction company. Products and projects include custom-built single-family and multi-family dwellings, commercial and industrial projects, and rehabilitation of existing structures. Rehabilitation of multi-family dwellings for Housing and Urban Development (HUD) in the Scott-Carver Project of Miami and the Homestead.Florida City Elderly Housing Complex. Rehabilitation of the LBD Development Corporation Apartment Complex in South Miami, FL.
Construction of multi-purpose buildings in the Caymen Islands.
Construction of chicken hatchery in Knoxville, TN.
Construction of 3,300 sq. ft. funeral home in McClenny, FL.
Developer of single-family custom homes and multi-family apartments, including rehabilitation of industrial properties.

### LAKESHORE INDUSTRIAL PARK DEVELOPMENT CO, MIAMI, FL. (1969-1973)

Coordinated sub-contractors and project quality control, including time, labor, materials, job scheduling, and estimating.

# PROFESSIONAL PROFILE OF WILLIAM L. DOZIER



## COMMENTS

Diversified self-starter can analyze all organizational phases and implement necessary changes quickly and effectively; calm under pressure; growth and cost-conscious. Health - Excellent, non-smoker.

## PERSONAL

Married, two children.

## MILITARY

Corporal, United States Marine Corp. Vietnam Veteran • Honorable Discharge

## PERSONAL AND PROFESSIONAL REFERENCES AVAILABLE UPON REQUEST

MIAMI-DADE COUNTY
miamidade.gov

**Internal Services Department**
**Small Business Development**
111 NW 1 Street, 19th Floor
Miami, Florida 33128
T 305-375-3111 F 305-375-3160

CERT. NO: 775
Approval Date: 06/11/2014 - CBE Tier 1
Expiration Date: 06/30/2017

June 11, 2014

Mr. Benjamin Esslen
EBS ENGINEERING, INC.
4715 NW 157th St, Suite 202
Miami, FL 33014

Dear Mr. Esslen:

Miami Dade County Small Business Development (SBD), a division of the Internal Services Department (ISD) has completed the review of your application and attachments submitted for certification. Your firm is officially certified as a Miami Dade County Community Business Enterprise (CBE) in accordance with section 2-10.4.01 of the code of Miami Dade County.

This CBE certification is valid for three years provided that you submit a "Continuing Eligibility Affidavit" on or before your anniversary date of June 11 for the first and second year of the three year period. The affidavit must indicate any changes or no changes in your firm pertinent to your certification eligibility. The submittal of a "Continuing Eligibility Affidavit" annually with specific supporting documents on or before your Anniversary Date is required to maintain the three year certification. You will be notified of this responsibility in advance of the Anniversary Date. Failure to comply with the said responsibilities may result in immediate action to decertify the firm. Pursuant to the applicable section of the code as listed above, "once your firm has been decertified, your firm shall not be eligible to re-apply for certification for twelve (12) months from the time of the decertification."

If, at any time, there is a material change in the firm, including, but not limited to, ownership, officers, director, scope of work being performed, daily operations, affiliation(s) with other businesses or the physical location of the firm, you must notify this office, in writing, within (30) days. Notification should include supporting documentation. You will receive timely instructions from this office as to how you should proceed, if necessary. This letter will be the only approval notification issued for the duration of your firm's three years certification. If the firm attains graduation or becomes ineligible during the three year certification period you will be properly notified following an administrative process that your firm's certification has been removed pursuant to the code.

Your company is certified in the categories as listed below affording you the opportunity to bid and participate on contracts with goals. Please note that the categories listed are very general and are used only to assist our customers in searching the directory for certified firms to meet contract goals. You can find the firm's up-to-date certification profile as well as all other certified firms on the Miami Dade County Internal Services Department, Small Business Development Certified Firms' Directory at the website http://www.miamidade.gov/business/business-certification-programs.asp.

Thank you for doing business with Miami Dade County.

Sincerely,

Gary Hartfield, Division Director
Small Business Development Division

CATEGORIES: (Your firm may bid or participate on contracts only under these categories)

HIGHWAY SYSTEMS-SITE DEVELOP/PARKING LOT DESIGN (CBE)
HIGHWAY SYSTEMS-HIGHWAY DESIGN (CBE)
W & S SEWER SYS-WATER DIST & SANITARY SEWAGE COLL (CBE)
W & S SEWER SYS-MAJOR WATER & SEWER PUMPING FACIL (CBE)

DBDR0020 - 20140414

Mr. Essien
EBS ENGINEERING, INC.
June 11, 2014
Cert No: 775

ENVIRONMENTAL ENG-STORMWATER DRAINAGE DESIGN SERV (CBE)
GENERAL CIVIL ENGINEERING (CBE)
ENGINEERING CONSTRUCTION MANAGEMENT (CBE)
HIGHWAY SYSTEMS-SIGNING, PAVEMENT MARKING, CHANNEL (CBE)
HIGHWAY SYSTEMS-SIGNALIZATION (CBE)
MATERIALS TESTING/CONSULTING/TRAINING (CBE)
ENVIRONMENTAL ENG-CONTAMINATION ASSESS & MONITOR (CBE)
ENVIRONMENTAL ENG-REMEDIAL ACTION PLAN DESIGN (CBE)
ENVIRON ENG-REMEDIAL ACTION PLAN IMPLE/OPER/MAINT (CBE)
ENVIRON ENG-WELLFIELD,GRNDWTR,SURFWATER PROTEC&MGT (CBE)
ENGINEERING SERVICES (CBE)

c: Veronica Clark, SBD
Laurie Johnson, SBD

MIAMI-DADE COUNTY
miamidade.gov

**Internal Services Department**
**Small Business Development**
111 NW 1 Street, 19th Floor
Miami, Florida 33128
T 305-375-3111 F 305-375-3160

CERT. NO: 15867
Approval Date: 02/24/2015 - MICRO/SBE
Expiration Date: 02/28/2018

February 24, 2015

Mr. Henry Crespo
THE RELOCATION AND DEVELOPMENT FIRM, INC.
4952 NW 7th Ave
Miami, FL 33127-0000

Dear Mr. Crespo:

Miami Dade County Small Business Development (SBD), a division of the Internal Services Department (ISD) has completed the review of your application and attachments submitted for certification. Your firm is officially certified as a Miami Dade County Micro/Small Business Enterprise (MICRO/SBE) in accordance with section 2-8.1.1.1.1 of the code of Miami Dade County.

This MICRO/SBE certification is valid for three years provided that you submit a "Continuing Eligibility Affidavit" on or before your anniversary date of February 24 for the first and second year of the three year period. The affidavit must indicate any changes or no changes in your firm pertinent to your certification eligibility. The submittal of a "Continuing Eligibility Affidavit" annually with specific supporting documents on or before your Anniversary Date is required to maintain the three year certification. You will be notified of this responsibility in advance of the Anniversary Date. Failure to comply with the said responsibilities may result in immediate action to decertify the firm. Pursuant to the applicable section of the code as listed above, "once your firm has been decertified, your firm shall not be eligible to re-apply for certification for twelve (12) months from the time of the decertification."

If, at any time, there is a material change in the firm, including, but not limited to, ownership, officers, director, scope of work being performed, daily operations, affiliation(s) with other businesses or the physical location of the firm, you must notify this office, in writing, within (30) days. Notification should include supporting documentation. You will receive timely instructions from this office as to how you should proceed, if necessary. This letter will be the only approval notification issued for the duration of your firm's three years certification. If the firm attains graduation or becomes ineligible during the three year certification period you will be properly notified following an administrative process that your firm's certification has been removed pursuant to the code.

Your company is certified in the categories as listed below affording you the opportunity to bid and participate on contracts with goals. Please note that the categories listed are very general and are used only to assist our customers in searching the directory for certified firms to meet contract goals. You can find the firm's up-to-date certification profile as well as all other certified firms on the Miami Dade County Internal Services Department, Small Business Development Certified Firms' Directory at the website http://www.miamidade.gov/business/business-certification-programs.asp.

Thank you for doing business with Miami Dade County.

Sincerely,

Gary Hartfield, Division Director
Small Business Development Division

CATEGORIES: (Your firm may bid or participate on contracts only under these categories)
CONSULTING SERVICES (MICRO/SBE)
COMMUNICATIONS: PUBLIC RELATIONS CONSULTING (MICRO/SBE)
COMMUNITY DEVELOPMENT CONSULTING (MICRO/SBE)
CONSTRUCTION CONSULTING (MICRO/SBE)

Mr. Crespo
THE RELOCATION AND DEVELOPMENT FIRM, INC.
February 24, 2015

PURCHASING CONSULTING (INCL. SPECIFICATION DEVELOPMENT) (MICRO/SBE)
CONSULTING SERVICES (MICRO/SBE)

c: Veronica Clark, SBD
Laurie Johnson, SBD

MIAMI-DADE COUNTY
miamidade.gov

**Internal Services Department**
**Small Business Development**
111 NW 1 Street, 19th Floor
Miami, Florida 33128
T 305-375-3111 F 305-375-3160

CERT. NO: 14751
Approval Date: 11/30/2014 - MICRO/SBE
Expiration Date: 11/30/2017

December 17, 2014

Mr. Michael Lowe
PERPETUAL ADVANCEMENT ENTERPRISES, INC.
P O Box 680009
Miami, FL 33168-0000

Dear Mr. Lowe:

Miami Dade County Small Business Development (SBD), a division of the Internal Services Department (ISD) has completed the review of your application and attachments submitted for certification. Your firm is officially certified as a Miami Dade County Micro/Small Business Enterprise (MICRO/SBE) in accordance with section 2-8.1.1.1.1 of the code of Miami Dade County.

This MICRO/SBE certification is valid for three years provided that you submit a "Continuing Eligibility Affidavit" on or before your anniversary date of November 30 for the first and second year of the three year period. The affidavit must indicate any changes or no changes in your firm pertinent to your certification eligibility. The submittal of a "Continuing Eligibility Affidavit" annually with specific supporting documents on or before your Anniversary Date is required to maintain the three year certification. You will be notified of this responsibility in advance of the Anniversary Date. Failure to comply with the said responsibilities may result in immediate action to decertify the firm. Pursuant to the applicable section of the code as listed above, "once your firm has been decertified, your firm shall not be eligible to re-apply for certification for twelve (12) months from the time of the decertification."

If, at any time, there is a material change in the firm, including, but not limited to, ownership, officers, director, scope of work being performed, daily operations, affiliation(s) with other businesses or the physical location of the firm, you must notify this office, in writing, within (30) days. Notification should include supporting documentation. You will receive timely instructions from this office as to how you should proceed, if necessary. This letter will be the only approval notification issued for the duration of your firm's three years certification. If the firm attains graduation or becomes ineligible during the three year certification period you will be properly notified following an administrative process that your firm's certification has been removed pursuant to the code.

Your company is certified in the categories as listed below affording you the opportunity to bid and participate on contracts with goals. Please note that the categories listed are very general and are used only to assist our customers in searching the directory for certified firms to meet contract goals. You can find the firm's up-to-date certification profile as well as all other certified firms on the Miami Dade County Internal Services Department, Small Business Development Certified Firms' Directory at the website http://www.miamidade.gov/business/business-certification-programs.asp.

Thank you for doing business with Miami Dade County.

Sincerely,

Gary Hartfield, Division Director
Small Business Development Division

CATEGORIES: (Your firm may bid or participate on contracts only under these categories)
FENCE INSTALLATION, MAINTENANCE AND REPAIR (MICRO/SBE)
PARK AREA CONSTRUCTION/RENOVATION (MICRO/SBE)
PUBLIC WORKS AND RELATED SERVICES (MICRO/SBE)
INSPECTION SERVICES, CONSTRUCTION TYPE (MICRO/SBE)
COST ESTIMATING (MICRO/SBE)
CONSTRUCTION CONSULTING (MICRO/SBE)
REMODELING AND ALTERATIONS (MICRO/SBE)
SHELTERS, CARPORTS, PORTABLE BUILDINGS, ETC. MAINTENANCE AND REPAIR (MICRO/SBE)

[illegible]

miamidade.gov

**Internal Services Department**
**Small Business Development**
111 NW 1 Street, 19th Floor
Miami, Florida 33128
T 305-375-3111 F 305-375-3160

CERT. NO: 14750
Approval Date: 11/30/2014 - CSBE Level 1
Expiration Date: 11/30/2017

December 17, 2014

Mr. Michael Lowe
PERPETUAL ADVANCEMENT ENTERPRISES, INC.
P O Box 680009
Miami, FL 33168-0000

Dear Mr. Lowe:

Miami Dade County Small Business Development (SBD), a division of the Internal Services Department (ISD) has completed the review of your application and attachments submitted for certification. Your firm is officially certified as a Miami Dade County Community Small Business Enterprise (CSBE) in accordance with section 10-33-02 of the code of Miami Dade County.

This CSBE certification is valid for three years provided that you submit a "Continuing Eligibility Affidavit" on or before your anniversary date of November 30 for the first and second year of the three year period. The affidavit must indicate any changes or no changes in your firm pertinent to your certification eligibility. The submittal of a "Continuing Eligibility Affidavit" annually with specific supporting documents on or before your Anniversary Date is required to maintain the three year certification. You will be notified of this responsibility in advance of the Anniversary Date. Failure to comply with the said responsibilities may result in immediate action to decertify the firm. Pursuant to the applicable section of the code as listed above, "once your firm has been decertified, your firm shall not be eligible to re-apply for certification for twelve (12) months from the time of the decertification."

If, at any time, there is a material change in the firm, including, but not limited to, ownership, officers, director, scope of work being performed, daily operations, affiliation(s) with other businesses or the physical location of the firm, you must notify this office, in writing, within (30) days. Notification should include supporting documentation. You will receive timely instructions from this office as to how you should proceed, if necessary. This letter will be the only approval notification issued for the duration of your firm's three years certification. If the firm attains graduation or becomes ineligible during the three year certification period you will be properly notified following an administrative process that your firm's certification has been removed pursuant to the code.

Your company is certified in the categories as listed below affording you the opportunity to bid and participate on contracts with goals. Please note that the categories listed are very general and are used only to assist our customers in searching the directory for certified firms to meet contract goals. You can find the firm's up-to-date certification profile as well as all other certified firms on the Miami Dade County Internal Services Department, Small Business Development Certified Firms' Directory at the website http://www.miamidade.gov/business/business-certification-programs.asp.

Thank you for doing business with Miami Dade County.

Sincerely,

Gary Hartfield, Division Director
Small Business Development Division

CATEGORIES: (Your firm may bid or participate on contracts only under these categories)

NEW SINGLE-FAMILY HOUSING CONSTRUCTION (EXCEPT OPERATIVE BUILDERS) (CSBE)
NEW MULTIFAMILY HOUSING CONSTRUCTION (EXCEPT OPERATIVE BUILDERS) (CSBE)
NEW HOUSING OPERATIVE BUILDERS (CSBE)
RESIDENTIAL REMODELERS (CSBE)
INDUSTRIAL BUILDING CONSTRUCTION (CSBE)
COMMERCIAL AND INSTITUTIONAL BUILDING CONSTRUCTION (CSBE)
WATER AND SEWER LINE AND RELATED STRUCTURES CONSTRUCTION (CSBE)
POURED CONCRETE FOUNDATION AND STRUCTURE CONTRACTORS (CSBE)

Mr. Lowe
PERPETUAL ADVANCEMENT
ENTERPRISES, INC.
December 17, 2014

STRUCTURAL STEEL AND PRECAST CONCRETE CONTRACTORS (CSBE)
SITE PREPARATION CONTRACTORS (CSBE)

c: Veronica Clark, SBD
Laurie Johnson, SBD

MIAMI-DADE COUNTY
Carlos A. Gimenez, Mayor

Public Housing and Community Development
701 NW 1st Court • 16th Floor
Miami, Florida 33136-3914
T 786-469-4100 F 786-469-4199

miamidade.gov

January 27, 2015

Mr. Michael D. Lowe
Perpetual Advancement
Enterprises, Inc.
697 N Miami Avenue, Loft 3
Miami, Fl. 33136

RE: Section 3 Business Certification*

Dear Mr. Lowe:

Public Housing and Community Development (PHCD) has reviewed your application for a Section 3 Certified Business and determined that Perpetual Advancement Enterprises Inc. currently meets the requirements for approval as a Section 3 Certified Business Category Five (5) General Contractor. The Section 3 (S-3) business certification is subject to subsequent periodic recertifications.

Your firm is required to notify PHCD within 30 days of any changes in employee composition, including full-time and part-time employees. If any new hire activity has occurred, and S-3 employees are hired, please provide PHCD with copies of "Section 3 Employee or Resident Preference Claim" and "Household Income Verification," or proof of participation in Public Housing, Section 8 or other federally-assisted housing program, within 30 days of each occurrence. In order to be eligible to claim a contracting preference, you must attach "Section 3 Letter of Intent" form as evidence of your contracting commitment to said subcontracting firm(s) with bid or proposal. You are responsible for retaining your recruitment and selection records in relation to this new hire activity for a period of three (3) years.

As a PHCD S-3 certified business, you have made a commitment to follow PHCD's recruitment/selection guidelines whenever you have a need for new workers, giving first priority to persons residing in Public Housing, Section 8, and other federally-assisted housing, and then, to other low-income Miami-Dade County residents.

In order to claim the Section 3 certified business preference for any PHCD bid, your firm is required to submit the Section 3 preference claim documents with your bid during the bidding process. In order to claim Section 3 preference, a firm must be certified for 2 weeks prior to the bid opening date.

If you have any questions, please feel free to contact me.

Sincerely,

Jesus Hernandez
Section 3 Coordinator

* PHCD Section 3 Business Certification is good for one year from date of issuance.

# MIAMI-DADE COUNTY PUBLIC SCHOOLS

## MINORITY/WOMEN BUSINESS ENTERPRISE (M/WBE) CERTIFICATE

THIS CERTIFIES THAT

**PERPETUAL ADVANCEMENT ENTERPRISES, INC.**

IS OWNED AND CONTROLLED BY A(N)

**AFRICAN AMERICAN MALE**

PURSUANT TO MIAMI-DADE COUNTY PUBLIC SCHOOL BOARD POLICY 6320.02

JUNE 10, 2014
Issue Date

JUNE 10, 2017
Expiration Date

6515609
Vendor No.

Brian Williams, OEO Development Officer
Office of Economic Opportunity
1450 NE 2nd Avenue, Suite 428
Miami, Florida 33132

Miami-Dade County Public Schools
giving our students the world

Superintendent of Schools
Alberto M. Carvalho

Economic Development Officer
Brian A. Williams, Esquire

Miami-Dade County School Board
Perla Tabares Hantman, Chair
Dr. Lawrence S. Feldman, Vice Chair
Dr. Dorothy Bendross-Mindingall
Susie V. Castillo
Carlos L. Curbelo
Dr. Wilbert "Tee" Holloway
Dr. Martin Karp
Dr. Marta Pérez
Raquel A. Regalado

Tuesday, June 10, 2014

Perpetual Advancement Enterprises, Inc.
ATTN: Mr. Michael D. Lowe
697 N. Miami Ave, Loft 3-E27
Miami Beach, FL 33136

RE: SBE & MBE & MWBE Certification

Mr. Lowe:

We are in receipt of **Perpetual Advancement Enterprises, Inc.'s** Business Enterprise Program Certification Application submitted to The School Board of Miami-Dade County, Florida ("Board").

Kindly note that after careful review of the documents provided by your company, it has been determined that your application is complete and your firm is certified for the following:

**Small Business Enterprise (SBE)**
**Micro Business Enterprise (MBE)**
**Minority/Women Business Enterprise (M/WBE)**

The period of certification **commenced on 6/10/2014** and **expires 6/10/2017**.

Please feel free to contact our office if you have any questions or concerns.

Sincerely,

Jaison J. Raju
SBE Certification / Community Outreach

# MIAMI-DADE COUNTY PUBLIC SCHOOLS

## SMALL & MICRO BUSINESS ENTERPRISE (SBE) (MBE)

**THIS CERTIFIES THAT**

## PERPETUAL ADVANCEMENT ENTERPRISES, INC.

**OWNED AND CONTROLLED FIRM, PURSUANT TO**
**MIAMI-DADE COUNTY PUBLIC SCHOOL BOARD POLICY 6320.02**

JUNE 10, 2014
Issue Date

JUNE 10, 2017
Expiration Date

6515609
Vendor No.

Brian Williams, OEO Development Officer
Office of Economic Opportunity
1450 NE 2nd Avenue, Suite 428
Miami, Florida 33132

miamidade.gov

Internal Services Department
Small Business Development
111 NW 1 Street, 19th Floor
Miami, Florida 33128
T 305-375-3111 F 305-375-3160

CERT. NO: 10774
Approval Date: 05/30/2014 - MICRO/SBE
Expiration Date: 05/31/2017

June 4, 2014

Mrs. Elizabeth A. Mc Neill
M.C.O. CONSTRUCTION AND SERVICES, INC.
6600 NW 27th Ave, #206
Miami, FL 33147-7220

Dear Mrs. Mc Neill:

Miami Dade County Small Business Development (SBD), a division of the Internal Services Department (ISD) has completed the review of your application and attachments submitted for certification. Your firm is officially certified as a Miami Dade County Micro/Small Business Enterprise (MICRO/SBE) in accordance with section 2-8.1.1.1.1 of the code of Miami Dade County.

This MICRO/SBE certification is valid for three years provided that you submit a "Continuing Eligibility Affidavit" on or before your anniversary date of May 30 for the first and second year of the three year period. The affidavit must indicate any changes or no changes in your firm pertinent to your certification eligibility. The submittal of a "Continuing Eligibility Affidavit" annually with specific supporting documents on or before your Anniversary Date is required to maintain the three year certification. You will be notified of this responsibility in advance of the Anniversary Date. Failure to comply with the said responsibilities may result in immediate action to decertify the firm. Pursuant to the applicable section of the code as listed above, "once your firm has been decertified, your firm shall not be eligible to re-apply for certification for twelve (12) months from the time of the decertification."

If, at any time, there is a material change in the firm, including, but not limited to, ownership, officers, director, scope of work being performed, daily operations, affiliation(s) with other businesses or the physical location of the firm, you must notify this office, in writing, within (30) days. Notification should include supporting documentation. You will receive timely instructions from this office as to how you should proceed, if necessary. This letter will be the only approval notification issued for the duration of your firm's three years certification. If the firm attains graduation or becomes ineligible during the three year certification period you will be properly notified following an administrative process that your firm's certification has been removed pursuant to the code.

Your company is certified in the categories as listed below affording you the opportunity to bid and participate on contracts with goals. Please note that the categories listed are very general and are used only to assist our customers in searching the directory for certified firms to meet contract goals. You can find the firm's up-to-date certification profile as well as all other certified firms on the Miami Dade County Internal Services Department, Small Business Development Certified Firms' Directory at the website http://www.miamidade.gov/business/business-certification-programs.asp.

Thank you for doing business with Miami Dade County.

Sincerely,

Gary Hartfield, Division Director
Small Business Development Division

CATEGORIES: (Your firm may bid or participate on contracts only under these categories).
FENCE INSTALLATION, MAINTENANCE AND REPAIR (MICRO/SBE)
HAULING SERVICES (MICRO/SBE)
COST ESTIMATING (MICRO/SBE)
CONSTRUCTION CONSULTING (MICRO/SBE)

Mrs. Mc Neill
M.C.O. CONSTRUCTION AND SERVICES, INC.
June 4, 2014
Cert No: 10774

BUILDING CONSTRUCTION SERVICES, NEW (INCL. MAINTENANCE AND REPAIR SERVICES) (MICRO/SBE)
BUILDING MAINTENANCE, INSTALLATION AND REPAIR SERVICES (MICRO/SBE)
BUILDING CONSTRUCTION SERVICES - EQUIPMENT, (MICRO/SBE)
BUILDING MAINTENANCE AND REPAIR SERVICES (MICRO/SBE)
CONSTRUCTION MANAGEMENT SERVICES (MICRO/SBE)
BUILDING CONSTRUCTION (MICRO/SBE)
GOLF COURSE CONSTRUCTION, MAINTENANCE AND REPAIR (MICRO/SBE)
PAVING AND REPAIR OF PARKING LOTS (NOT INCLUDING (MICRO/SBE)
SWIMMING POOL MAINTENANCE (INCLUDING WATER TREA (MICRO/SBE)

c: Veronica Clark, SBD
Laurie Johnson, SBD

*State of Florida*

# Minority, Women & Florida Veteran Business Certification

## MCO Construction & Services, Inc.

Is certified under the provisions of
287 and 295.187, Florida Statutes for a period from:

**12/31/2013** **12/31/2015**

DEPARTMENT OF MANAGEMENT SERVICES

Craig J. Nichols, Secretary
Florida Department of Management Services

Office of Supplier Diversity
OSD
State of Florida

MIAMI-DADE COUNTY
Carlos A. Gimenez, Mayor

Public Housing and Community Development
701 NW 1st Court • 16th Floor
Miami, Florida 33136-3914
T 786-469-4100 F 786-469-4199

miamidade.gov

March 26, 2015

Mr. Luciano Castellon
Constructech Group, Inc.
7414 SW 48 Street
Miami, FL 33155

RE: Section 3 Business Certification*

Dear Mr. Castellon:

Public Housing and Community Development (PHCD) has reviewed your application for a Section 3 Certified Business and determined that Constructech Group Inc. currently meets the requirements for approval as a Section 3 Certified Business Category Five (5) General Contractor. The Section 3 (S-3) business certification is subject to subsequent periodic recertifications.

Your firm is required to notify PHCD within 30 days of any changes in employee composition, including full-time and part-time employees. If any new hire activity has occurred, and S-3 employees are hired, please provide PHCD with copies of "Section 3 Employee or Resident Preference Claim" and "Household Income Verification," or proof of participation in Public Housing, Section 8 or other federally-assisted housing program, within 30 days of each occurrence. In order to be eligible to claim a contracting preference, you must attach "Section 3 Letter of Intent" form as evidence of your contracting commitment to said subcontracting firm(s) with bid or proposal. You are responsible for retaining your recruitment and selection records in relation to this new hire activity for a period of three (3) years.

As a PHCD S-3 certified business, you have made a commitment to follow PHCD's recruitment/selection guidelines whenever you have a need for new workers, giving first priority to persons residing in Public Housing, Section 8, and other federally-assisted housing, and then, to other low-income Miami-Dade County residents.

In order to claim the Section 3 certified business preference for any PHCD bid, your firm is required to submit the Section 3 preference claim documents with your bid during the bidding process. In order to claim Section 3 preference, a firm must be certified for 2 weeks prior to the bid opening date.

If you have any questions, please feel free to contact me.

Sincerely,

Jesus Hernandez
Section 3 Coordinator

* PHCD Section 3 Business Certification is good for one year from date of issuance

*Delivering Excellence Every Day*

Internal Services Department
Small Business Development
111 NW 1 Street, 19th Floor
Miami, Florida 33128
T 305-375-3111 F 305-375-3160

April 03, 2015

CERT NO: 14587
Approval Date: 4/3/2015 - DBE
Approval Date: 4/3/2015 - ACDBE

Mr. Kevin Willis
TRAVELING ANGELS SECURITY, INC.
6345 NW 7th Ave
Miami, FL 33150-0000

**Anniversary Date: Annually on April 03**

Dear Mr. Willis:

Miami-Dade County Small Business Development (SBD), a division of the Internal Services Department (ISD), is pleased to notify you that your firm is certified under the Florida Unified Certification Program (UCP). Your firm meets the eligibility requirements for certification as a Disadvantaged Business Enterprise (DBE) and an Airport Concession Disadvantaged Business Enterprise (ACDBE) in accordance with 49 CFR Part 23 and 26.

DBE and ACDBE certifications are continuous with no expiration date; however, firms are required to attest that there are no changes via the No Change Declaration form annually on the firm's anniversary date to remain certified. You will be notified of your annual responsibilities in advance of the Anniversary Date listed above. You must submit the annual **No Change Declaration** form no later than the Anniversary Date to maintain your eligibility. Your firm will be listed in the UCP DBE Directory which can be accessed through the Florida Department of Transportation's website: http://www3b.dot.state.fl.us/EqualOpportunityOfficeBusinessDirectory/

DBE and ACDBE certifications are NOT a guarantee of work, but it enables the firm to compete for and perform contract work on all USDOT Federal Aid (FAA, FTA and FHWA) projects in Florida as a DBE and ACDBE contractor, sub-contractor, consultant, sub-consultant or material supplier.

If at any time there is a material change in your firm, you must advise this office by sworn affidavit and supporting documentation within thirty (30) days. Changes include, but are not limited to ownership, officers, directors, management, key personnel, scope of work performed, daily operations, on-going business relationships with other firms, individuals or the physical location of your firm. After our review, you will receive instructions as to how you should proceed, if necessary. Failure to comply will result in action to remove your firm's DBE and ACDBE certifications.

Questions or concerns should be directed to this office by mail or telephone. Our telephone number is (305) 375 -3111 and fax number is (305) 375-3160.

Sincerely,

Claudious Thompson, Section Chief
Small Business Development Division

NAICS & Industry Title: (Your firm is eligible to compete for and perform work on all USDOT Federal Aid projects throughout Florida and may earn DBE or ACDBE credit for work performed in the following areas.)

561612 - SECURITY GUARDS AND PATROL SERVICES (ACDBE)
561612 - SECURITY GUARDS AND PATROL SERVICES (DBE)

Internal Services Department
Small Business Development
111 NW 1 Street, 19th Floor
Miami, Florida 33128
T 305-375-3111 F 305-375-3160

April 03, 2015

CERT NO: 14365
Approval Date: 3/31/2015 - MICRO/SBE
Expiration Date: 3/31/2018

Mr. Kevin Willis
TRAVELING ANGELS SECURITY, INC.
6345 NW 7th Ave
Miami, FL 33150-0000

Dear Mr. Willis:

Miami-Dade County Small Business Development (SBD), a division of the Internal Services Department (ISD) has completed the review of your application and attachments submitted for certification. Your firm is officially certified as a Miami-Dade County Micro/Small Business Enterprise (MICRO/SBE) in accordance with section 2-8.1.1.1.1 of the code of Miami-Dade County.

This (MICRO/SBE) certification is valid for three years provided that you submit a "Continuing Eligibility Affidavit" on or before your **anniversary date** of (March 31) for the first and second year of the three year period. The affidavit must indicate any changes or no changes in your firm pertinent to your certification eligibility. The submittal of a "Continuing Eligibility Affidavit" **annually** with specific supporting documents on or before your Anniversary Date is required to maintain the three year certification. You will be notified of this responsibility in advance of the Anniversary Date. Failure to comply with the said responsibilities may result in immediate action to decertify the firm.

If at any time there is a material change in the firm including, but not limited to, ownership, officers, director, scope of work being performed, daily operations, affiliation(s) with other businesses or the physical location of the firm, you must notify this office in writing within (30) days. Notification should include supporting documentation. You will receive timely instructions from this office as to how you should proceed, if necessary. **This letter will be the only approval notification issued for the duration of your firm's three years certification. If the firm attains graduation or becomes ineligible during the three year certification period, you will be properly notified following an administrative process that your firm's certification has been removed pursuant to the code.**

Your company is certified in the categories as listed below affording you the opportunity to bid and participate on contracts with Small Business Enterprise measures.

Please note that the categories listed are very general and are used only to assist our customers in searching the directory for certified firms to meet contract goals. You can find the firm's up-to-date certification profile as well as all other certified firms on the Miami-Dade County Internal Services Department, Small Business Development Certified Firms' Directory at the website http://www.miamidade.gov/business/business-certification-programs.asp.

Thank you for your interest in doing business with Miami-Dade County.

Sincerely,

Claudious Thompson, SBD Section Chief
Small Business Development Division

CATEGORIES: (Your firm may bid or participate on contracts only under these categories)

96480 - SECURITY GUARDS (MICRO/SBE)
99046 - GUARD AND SECURITY SERVICES (MICRO/SBE)
99067 - PATROL SERVICES (MICRO/SBE)

# MIAMI-DADE COUNTY PUBLIC SCHOOLS

## MINORITY/WOMEN BUSINESS ENTERPRISE CERTIFICATE

THIS CERTIFIES THAT

**LESESNE MEDIA GROUP ENTERTAINMENT, INC.**

IS OWNED AND CONTROLLED BY A(N)

**AFRICAN AMERICAN**

PURSUANT TO MIAMI-DADE COUNTY PUBLIC SCHOOL BOARD POLICY 6320.02

June 4, 2015
Issue Date

June 4, 2018
Expiration Date

6519606
Vendor No.

Brian Williams, OEO Development Officer
Office of Economic Opportunity
1450 NE 2nd Avenue, Suite 428
Miami, Florida 33132

# State of Florida

## Minority, Women & Florida Veteran Business Certification

## Lesesne Media Group Entertainment

**Is certified under the provisions of**
**287 and 295.187, Florida Statutes, for a period from:**

**3/11/2015** to **3/11/2017**

management SERVICES

**Chad Poppell, Secretary**
**Florida Department of Management Services**

# THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

## SUPPLIER DIVERSITY & OUTREACH PROGRAM

A DIVISION OF

PROCUREMENT & WAREHOUSING SERVICES

This Certifies

**Lesesne Media Group Entertainment, Inc.**

has met the requirements for certification established by the Supplier Diversity & Outreach Program of the School Board of Broward County as a

**African-American** **(M/WBE)**

**6/23/2015**
Effective Date

**6/22/2018**
Expiration Date

**7007-7090 15**
Certification Number

Colleen M. Robbs, Supplier Diversity & Outreach Coordinator

# Lesesne Media Group Entertainment, Inc.
# Capabilities statement

## WHO WE ARE

Lesesne Media Group Entertainment is an award-winning multimedia, communications, social media and original content producer supporting brand development and community relations. Lesesne Media Group Entertainment leverages diverse platforms to transform and elevate brands through outreach strategies, content creation, social media and digital programs and event initiatives. These programs and initiatives include an array of communications services via multi-media.

## QUICK FACTS

Lesesne Media Group Entertainment is among the pioneers in social media and at the forefront of the digital revolution.
Lesesne Media Group was selected twice by the SBA as the media advocate of the year
Lesesne Media Group Entertainment was selected as the minority business of the year by the state of Florida
Lesesne Media Group Entertainment has more than 20 years of service to its communities.

## WHAT WE DO

**FILM PRODUCTION:** Lesesne Media Group Entertainment operates an *acclaimed* Film & Video Production Services unit. Expertise includes scripting, artistic direction, film, video and photography direction, editing and post production. LMGE delivers complete technical production services for Infomercial/Commercials, Corporate Documentaries, Events, web content and event production.

**BRAND MANAGEMENT & TRAINING:** Lesesne Media Group Entertainment delivers creative expertise to support businesses seeking to maximize its target market identity and positioning through innovative initiatives, branding innovation and dynamic diverse targeted campaigns. LMG also provides training assistance to staffs seeking to deepen their reach to targeted audiences and communities.

**PUBLIC RELATIONS & OUTREACH:** Lesesne Media Group Entertainment has more than a decade of expertise in proactive and aggressive public & community relations execution, media relations, organizational messaging, crisis aversion and customer relations strategies. With a wealth of resources and contacts, LMG provides access to a number of organizations, leaders, and initiatives that help deliver success to its clients.

**WEB & SOCIAL MEDIA:** Lesesne Media Group Entertainment provides intimate support for the planning and execution of social media strategies. LMG also operates LMG TV; an award-winning web media channel outlet delivering diverse originally produced programs that consistently reach audiences at www.lesesnemediagroup.com. YouTube and other distribution outlets. Sponsors include Turner Broadcasting System, Ford, Hyundai, GM, Cadillac, and Mazda.

## FEATURED CUSTOMERS

Ford Motor Company, Mazda of North America, General Motors, Center of Time, Related Urban Development Group City of west Palm Beach

**Company Highlights:**

2011-2014 Produced two documentaries, three short films, and two feature films (both in post production)
2014 Golden Orange Award for Diversity, Miami China Latin America Film TV Festival
2012 Producers of the Year Award, CAMACOL
2012 Launched www.lesesnemediagroup.com web channel
2011 Business Woman of the Year, Diversity, NAWBO Broward
2011 Legacy of Excellence Award, Ancient Spanish Monastery
1993-2012 Published the award winning IN FOCUS Magazine

## RECENT PROJECTS

2015 Completed the film LIBERTY CITY-MEET UNITY SQUARE- a landmark effort to transform Liberty City
2015 Brand Development campaign in new markets for clients: Ford Motor Company (Focus, F-150, Mustang) Lincoln, Mazda, & General Motors.
2015 Completed show season for LMG TV Web Channel
2014 Produced annual AutoFOCUS Awards aimed at Entertainment, and Auto Executives
2014 Produced "Noche de Amigos" (Night of Friends) Awards for Hispanic and multi-cultural Achievers
2014 Produced Miami Urban Music & Film Festival (MUMFF) to foster the entertainment economy in South Fla.

## CONTACT INFORMATION

Address: 1401 West Flagler Street, Miami, FL 33135
Woodie Lesesne (954) 243-3518 woodielmg@gmail.com
www.lesesnemediagroup.com
Twitter; Lesesne Media Group

# EVERETT PAINTING COMPANY, INC.

## CAPABILITY STATEMENT

Everett Painting Company, Inc. (EPCI) has been in business for over 28 years. We are a fully licensed painting contractor. We provide environmental friendly service and implement green changes in all that we do. EPCI has developed a reputation for competence and quality, endorsed by the number of repeated business by pass clients over the years

### CORE COMPETENCIES

**Painting**

- Industrial Coatings
- High Performance Coatings
- Wall Coverings
- Exterior & Interior Jobs

**Waterproofing**

**Sealant Applications**

**Pressure Washing**

### COMPANY CONTACT


CAGE CODE: 1R213

Duns Number: 152678801

FL License: CGC78500812

Shirley Everett, President/ CEO

Email: everettpainting@att.net

Phone: (786) 985-4875

Fax: (305) 694-1246

Mailing Address: 2531 N.W. 79th Street, Miami, Florida 33147


### PAST PERFORMANCE

- NASA Kennedy Space Center Florida
- Miami Veterans Affairs
- MIA South/ North Terminals
- MDCPS (Miami Dade County Public School)

Much More...

### NAIC/ SIC CODES

238320 - Painting & Wall Covering Contractors
238990 - Other Specialty Trade Contractors
561790 - Other Services to Buildings/ Dwellings
07920 - Joint & Sealant
09720 - Wall Coverings
09900 - Painting
09960 - High Performance

### CERTIFICATIONS

WOSB (Women Owned Small Busines)
CSBE (Community Small Business Enterprise)
DBE (Disadvantage Business Enterprise)
SBE (Small Business Enterprise)
100% Women & Minority Owned
HubZone

### DIFFERENTIATORS

- In Business for over 28 years
- Over 38 years of experience
- Repeat business from our past clients
- Residential, Multifamily Housing, Seaports, Airports, Turnpike, Schools, Sports Complex and Governement building experience

Internal Services Department
Small Business Development
111 NW 1 Street, 19th Floor
Miami, Florida 33128
T 305-375-3111 F 305-375-3160

May 26, 2015

CERT NO: 14799
Approval Date: 5/26/2015 - ACDBE
Approval Date: 5/26/2015 - DBE

Ms. Suzan Mc Dowell
CIRCLE OF ONE MARKETING, INC.
2400 NE 2nd Ave Suite #C
Miami, FL 33137-0000

**Anniversary Date: Annually on May 26**

Dear Ms. Mc Dowell:

Miami-Dade County Small Business Development (SBD), a division of the Internal Services Department (ISD), is pleased to notify you that your firm is certified under the Florida Unified Certification Program (UCP). Your firm meets the eligibility requirements for certification as a Disadvantaged Business Enterprise (DBE) and an Airport Concession Disadvantaged Business Enterprise (ACDBE) in accordance with 49 CFR Part 23 and 26.

DBE and ACDBE certifications are continuous with no expiration date; however, firms are required to attest that there are no changes via the No Change Declaration form annually on the firm's anniversary date to remain certified. You will be notified of your annual responsibilities in advance of the Anniversary Date listed above. You must submit the annual **No Change Declaration** form no later than the Anniversary Date to maintain your eligibility. Your firm will be listed in the UCP DBE Directory which can be accessed through the Florida Department of Transportation's website: http://www3b.dot.state.fl.us/EqualOpportunityOfficeBusinessDirectory/

DBE and ACDBE certifications are NOT a guarantee of work, but it enables the firm to compete for and perform contract work on all USDOT Federal Aid (FAA, FTA and FHWA) projects in Florida as a DBE and ACDBE contractor, sub-contractor, consultant, sub-consultant or material supplier.

If at any time there is a material change in your firm, you must advise this office by sworn affidavit and supporting documentation within thirty (30) days. Changes include, but are not limited to ownership, officers, directors, management, key personnel, scope of work performed, daily operations, on-going business relationships with other firms, individuals or the physical location of your firm. After our review, you will receive instructions as to how you should proceed, if necessary. Failure to comply will result in action to remove your firm's DBE and ACDBE certifications.

Questions or concerns should be directed to this office by mail or telephone. Our telephone number is (305) 375-3111 and fax number is (305) 375-3160.

Sincerely,

Claud[illegible]-Thompson, Section Chief
Small Business Development Division

NAICS & Industry Title: (Your firm is eligible to compete for and perform work on all USDOT Federal Aid projects throughout Florida and may earn DBE or ACDBE credit for work performed in the following areas.)

541613 - MARKETING CONSULTING SERVICES (ACDBE)
541613 - MARKETING CONSULTING SERVICES (DBE)
541810 - ADVERTISING AGENCIES (ACDBE)
541810 - ADVERTISING AGENCIES (DBE)
541820 - PUBLIC RELATIONS AGENCIES (ACDBE)
541820 - PUBLIC RELATIONS AGENCIES (DBE)
541910 - MARKETING RESEARCH AND PUBLIC OPINION POLLING (ACDBE)
541910 - MARKETING RESEARCH AND PUBLIC OPINION POLLING (DBE)

Internal Services Department
Small Business Development
111 NW 1 Street, 19th Floor
Miami, Florida 33128
T 305-375-3111 F 305-375-3160

May 28, 2015

CERT NO: 11151
Approval Date: 5/26/2015 - MICRO/SBE
Expiration Date: 5/31/2018

Ms. Suzan Mc Dowell
CIRCLE OF ONE MARKETING, INC.
2400 NE 2nd Ave Suite #C
Miami, FL 33137-0000

Dear Ms. Mc Dowell:

Miami-Dade County Small Business Development (SBD), a division of the Internal Services Department (ISD) has completed the review of your application and attachments submitted for certification. Your firm is officially certified as a Miami-Dade County Micro/Small Business Enterprise (MICRO/SBE) in accordance with section 2-8.1.1.1.1 of the code of Miami-Dade County.

This (MICRO/SBE) certification is valid for three years provided that you submit a "Continuing Eligibility Affidavit" on or before your **anniversary date of (May 26)** for the first and second year of the three year period. The affidavit must indicate any changes or no changes in your firm pertinent to your certification eligibility. The submittal of a "Continuing Eligibility Affidavit" **annually** with specific supporting documents on or before your Anniversary Date is required to maintain the three year certification. You will be notified of this responsibility in advance of the Anniversary Date. Failure to comply with the said responsibilities may result in immediate action to decertify the firm.

If at any time there is a material change in the firm including, but not limited to, ownership, officers, director, scope of work being performed, daily operations, affiliation(s) with other businesses or the physical location of the firm, you must notify this office in writing within (30) days. Notification should include supporting documentation. You will receive timely instructions from this office as to how you should proceed, if necessary. **This letter will be the only approval notification issued for the duration of your firm's three years certification. If the firm attains graduation or becomes ineligible during the three year certification period, you will be properly notified following an administrative process that your firm's certification has been removed pursuant to the code.**

Your company is certified in the categories as listed below affording you the opportunity to bid and participate on contracts with Small Business Enterprise measures.

Please note that the categories listed are very general and are used only to assist our customers in searching the directory for certified firms to meet contract goals. You can find the firm's up-to-date certification profile as well as all other certified firms on the Miami-Dade County Internal Services Department, Small Business Development Certified Firms' Directory at the website http://www.miamidade.gov/business/business-certification-programs.asp.

Thank you for your interest in doing business with Miami-Dade County.

Sincerely,

Claudious Thompson, SBD Section Chief
Small Business Development Division

CATEGORIES: (Your firm may bid or participate on contracts only under these categories)

578 - MISCELLANEOUS PRODUCTS (MICRO/SBE)
57900 - MISCELLANEOUS PRODUCTS (NOT OTHERWISE CLASSIFIED) (MICRO/SBE)
57979 - SIGNS: BILLBOARD, ADVERTISING (MICRO/SBE)
918 - COMMUNICATIONS AND MEDIA RELATED SERVICES (MICRO/SBE)
91800 - COMMUNICATIONS AND MEDIA RELATED SERVICES (MICRO/SBE)
91502 - ADVERTISING (NOTICE OF BID SOLICITATION) (MICRO/SBE)
91503 - ADVERTISING/PUBLIC RELATIONS (INCL. SKYWRITING) (MICRO/SBE)
91504 - ADVERTISING, OUTDOOR BILLBOARD, ETC. (MICRO/SBE)
91524 - CABLE TELEVISION SERVICES (INCLUDES PAY-PER-VIEW SERVICES) (MICRO/SBE)
91548 - GRAPHIC ARTS SERVICES (NOT PRINTING) (MICRO/SBE)
91562 - JOURNALISTIC SERVICES (INCLUDES PAGE PRINT SERVICES) (MICRO/SBE)
91572 - PHOTOGRAPHY (NOT INCLUDING AERIAL PHOTOGRAPHY) (MICRO/SBE)
91573 - PUBLIC INFORMATION SERVICES (INCL. PRESS RELEASES) (MICRO/SBE)
91574 - RADIO COMMERCIAL PRODUCTION (MICRO/SBE)
91576 - TELEVISION COMMERCIAL PRODUCTION (MICRO/SBE)
91582 - VIDEO PRODUCTION (MICRO/SBE)
91584 - VIDEO RECORDING (MICRO/SBE)
918 - CONSULTING SERVICES (MICRO/SBE)
91800 - CONSULTING SERVICES (MICRO/SBE)
91807 - ADVERTISING CONSULTING (MICRO/SBE)
91878 - MARKETING CONSULTING (MICRO/SBE)
961 - MISCELLANEOUS PROFESSIONAL SERVICES (MICRO/SBE)
96100 - MISCELLANEOUS SERVICES, NO. 1 (NOT OTHERWISE CLASSIFIED) (MICRO/SBE)
96163 - MARKETING SERVICES (INCL. DISTRIBUTION, RESEARCH, SALES PROMOTIONS, ETC.) (MICRO/SBE)

MIAMI-DADE COUNTY
miamidade.gov

Internal Services Department
Small Business Development
111 NW 1 Street, 19th Floor
Miami, Florida 33128
T 305-375-3111 F 305-375-3160

May 26, 2015

Ms. Suzan McDowell, President
Circle of One Marketing, Inc.
2400 NE 2nd Avenue, Suite C
Miami, FL 33137

Certification Nos. 11151 and 14799

Dear Ms. McDowell:

During the application review process, you notified Small Business Development (SBD) that a copy of your 2014 Corporate Income Tax Return was not available for Circle of One Marketing, Inc. A signed copy of your Corporate Taxes for the year 2014 for Circle of One Marketing, Inc. must be forwarded to this office no later than October 31, 2015. Failure to provide a copy of your tax return to SBD may result in the immediate suspension of your small business certification.

You may send the document to SBD at 111 NW 1st Street, 19 Floor, Miami, FL 33128, Attention: Certification Unit. For your convenience you may e-mail the document directly to Jackelin Lemus at lemusj@miamidade.gov.

Thank you for your participation in Miami-Dade County's small business programs.

Sincerely,

Claudious Thompson
SBD Section Chief

c: File

JADOR

# CAPABILITY STATEMENT

WWW.JADOR.NET

JADOR International Corporation is an Electrical and Telecommunication contractor with over 38 years of experience. We self-perform electrical, technology, fire alarm, burglar, alarm, CCTV, lighting and led upgrades, switch gear installation for private, local, state, and federal government.

## COMPANY INFORMATION

CAGE CODE: 3QCQ5
Duns Number: 15-709-3639

Dorothy Brown-Alfaro, President
Email: dorcor@bellsouth.net
Phone: (786) 486-2377
Fax: (954) 450-3402
Mailing Address: P.O. Box 171268
Hialeah, Florida 33017

## CERTIFICATIONS

CBE (Certified Business Enterprise)
CSBE (Community Small Business Enterprise)
DBE (Disadvantage Business Enterprise)
SBE (Small Business Enterprise)
M/WBE (Minority Women Business Enterprise)
Section 3
LEED Green Associate
FASA/ BASA Certified

## CORE COMPETENCIES

- ❑Airport, outdoor, site and runway lighting installation and maintenance
- ❑Construction Management, Energy and Engineering Consulting Services
- ❑Traffic Signalization installation & maintenance
- ❑Fire Alarm System installation & maintenance
- ❑Burglar Alarm System installation & maintenance
- ❑Electrical premise wiring and termination
- ❑Overhead & underground distribution systems
- ❑Panels boards and switchboards
- ❑Concrete encased Duct Banks, Raceways and conduits
- ❑Designs, constructs, installs and maintains cabling systems for data, video and voice
- ❑Installation of patch panels
- Banking machine installation & maintenance
- ❑Category 6 and above cabling, Fiber optic cable
- ❑Installation of network cabling for LAN and WAN
- ❑Installation of Routers, Switches and Servers
- ❑Interior and Exterior Lighting
- ❑Street Lighting, High Mast Lighting, Sport Lighting
- ❑Lighting protection
- ❑Bonding and grounding
- ❑Conduits, connectors, cable trays and bus bars
- ❑Generator and Motor Installation
- ❑Building Automation System
- ❑Buidling Management System
- ❑Energy Efficient Retrofit & savings programs
- ❑Electrical Service Upgrades
- ❑Information Technology
- ❑Cathode & Anode systems
- ❑ITS System
- ❑Telecommunication Systems
- ❑Installation of patch panels
- ❑Future Flex Air-Blown Fiber Installation

**SECTION 3.12. G) ATTACHMENT**

Partners and Resources Contributing to Liberty City/Liberty Square Well-Being

January 29, 2016

Alberto Milo, Jr.
Principal / Senior Vice President
Related Urban
444 Brickell Avenue, Suite 301
Miami, Fl. 33131

Dear Mr. Milo:

On behalf of the Mourning Family Foundation, I would like to express my support to Related Urban in their project proposal to develop Liberty Square in the area currently known as Liberty City. Our support is large, and in part because of our mission is to advocate, inspire, empower and enrich the lives of youth and families growing up in urban communities.

To this end, I fervently support the efforts of Related Urban, a developer that understands the need for a comprehensive approach to changing communities. Related Urban has identified the Mourning Family Foundation (MFF) as an organization that's best in its class and that we will partner with Related Urban to expand its program services to the areas of Liberty City, particularly, Liberty Square.

Underneath the Mourning's umbrella, The Overtown Youth Center (OYC), a replica of the Self Enhancement Incorporated (SEI) Comprehensive Model, has proven to be an effective model that can be a tremendous benefit to this area. OYC has provided services to over 2,300 students and families within the Overtown community in an effort to bridge social, emotional, familial and academic gaps. MFF believes a huge part of student success is stable homes, which begins with living conditions that children and families can be proud of

MFF is committed to supporting initiatives that propose to change the trajectory of young people growing up in areas where public schools are located, especially those plagued by low socio-economic conditions that reduce the chances of young people from becoming successful in school and in life. MFF is committed to joining forces with Related Urban and ensuring that their priorities lie in opportunities, environments and programs in which children and families can thrive.

MFF and its program affiliates take a holistic approach to improving the lives of children and families through effective programming. These programs consist of high quality, structured, service components that include the following: in-school support services, after-school program services, summer program services, and high/post-high school services.

These programs offer life skills, homework assistance, mentoring, tutoring, service learning and a wide range of enrichment and exposure activities to help develop a well-rounded child. Many of the enrichment activities seek to explore the gifts and talents of young people and to stimulate academic success. Some of these activities include, but are not limited to: art, music, dance, photography, creative writing and speech, culinary, horticulture, physical fitness and STEM project-based learning activities.

Additionally, these programs offer parent empowerment services and activities designed to strengthen families in the areas of child advocacy, health, wellness, and financial stability.

We look forward to being a part of a winning team that will build a community based center in partnership with MFF to ensure that we can achieve the following goals:

**100%** of post high school students will become positive contributing citizens (enroll in college, vocational trade, armed forces or employment)
**85%** of students will maintain acceptable levels of attendance and behavior
**85%** of students will maintain and improve literacy skills
**100%** of high school seniors will graduate from high school
**100%** of students will be exposed to new places, ideas and/or concepts to improve their

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o. 305-476-0095 | f. 305-476-0096

chances of being successful

**85%** of students will maintain active engagement with the program through age 25

**70%** of parents will be active participants in the Liberty City and Brownsville Mourning Foundation Youth Centers' parent empowerment programs.

Without consistent positive intervention, many of the youth residing in Miami-Dade County are destined to repeat an impoverished cycle faced by several generations before them. We understand that our support is vital.

Currently, MFF engages a host of funders and partners who are committed to investing in our future through youth development and family empowerment including:

> Miami-Dade County Public School District, Lennar Corporation, RJKB Family Charitable Foundation, Carnival Foundation, Jan and Daniel Lewis, Self Enhancement Incorporated, The Batchelor Foundation, United Way, The Children's Trust, AAR Corporation, 100 Black Men of South Florida, Bank of America, Wells Fargo, Comcast, University of Miami, Target, Publix, Walmart, The John S. and James L. Knight Foundation, United Health Care, Barry University School of Social Work, Camillus House & Health Concerns, Dress for Success/Suited for Success Miami, Florida International University-Education Effect, Miami-Dade County Health Department, New Horizons Community Mental Health Center, Touching Miami With Love, URGENT, Inc. and many others.

I know that supporting this historic redevelopment and program expansion will open a pipeline of other resources which gives our young people and their families a chance to "win."

Sincerely,

William Diggs
President, The Mourning Family Foundation

FOUNDATION FOR SICKLE CELL DISEASE RESEARCH

SUPPORTING AND PROMOTING HEMOGLOBINOPATHY RESEARCH

January 29, 2106

Alberto Milo, Jr.
Vice President - Related Urban
444 Brickell Avenue, Suite 301
Miami, Florida 33301

Dear Mr. Milo,

The Liberty Square re-development presents an exciting opportunity for individuals who live with the genetically inherited disorder sickle cell disease (SCD). Sickle Cell Disease primarily affects people of African descent and Liberty City is a predominantly African American community; 84% of the 40,000 residents racially identify as Black. National statistics show that Sickle Cell Disease occurs among approximately 1 in every 396 African Americans births in the United States (US). The Center for Disease Control, National Center on Birth Defects and Developmental Disorders indicates that 1 in every 12 African Americans carries the sickle cell trait. Hispanics and individuals of Mediterranean descent (Turkey, Greece, and Italy) may also be at risk for SCD. Current demographic data show that in the census tracts outside the core of Liberty City, the number of Hispanic residents has been increasing over the past decade. Overall, 15% of the community is Hispanic; national data show that SCD occurs among approximately 1 out of every 36,000 Hispanic-American births.

There is growing evidence of increased mortality from SCD among adolescents and adults. For example, an analysis of National Center for Health Statistics multiple-cause-of death files from 1979 to 2005 identified 16,654 sickle cell-related deaths. Further examination of age at death and mortality rates for those with SCD showed that mean age at death was significantly different for males (33.4 years) than for females (36.9 year).

Sickle Cell Disease is chronic, debilitating and disproportionately affects our country's most vulnerable populations, many of whom experience fragmented, poor quality and often inhumane care. Day-to-day SCD patients experience medical complications including pain crisis that tax the healthcare system. Frequent use of emergency rooms is one concern and leads to fragmented care by physicians and nursing staff. The chronic and often debilitating nature of SCD makes it hard for medical staff to render optimal care. Clearly, improving access to quality care and ensuring the overall health of SCD patients is a critical challenge facing the US health delivery system.

Florida has the highest population of individuals with SCD in the US with the majority living in metropolitan Miami. The picture of acute care utilization is as follows: 94% of patients have visits to the Emergency Department (ED) of which 46% are treated and released to home without admission to the hospital. Overall, 77% have had a hospital admission and re-hospitalization rate at 30 days is 33.4%. The most common cause for hospitalizations and ED visits, is the hallmark of this disease, painful vaso-occlusive or "sickle cell crisis." The crisis

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954.397.3251 | fax 954.374.6320 | info@fscdr.org
http://fscdr.org | FaceBook @ https://facebook.com/FSCDR | Twitter @FundSickleCell

FOUNDATION FOR SICKLE CELL DISEASE RESEARCH

SUPPORTING AND PROMOTING HEMOGLOBINOPATHY RESEARCH

arises because the sickled blood cell impedes vascular blood flow and can lead to major organ damage. The combined financial impact of both ED and hospital utilization charges for SCD has been estimated at $2.4 billion annually. Most patients have public insurance as the payer source. Ninety percent of ED and hospital admissions can be avoided with appropriate access to a care model that provides supportive psychological care along with a holistic medical treatment approach.

The solution to the growing disparity of care and treatment of sickle cell disease is to meet individuals where they are in the community and provide medical and behavioral treatment services they need. Over the past few years, I have been engaged in a process of developing sustained community outreach for SCD patients. We began by creating an outpatient clinical model for a large tertiary hospital located in South Florida, which resulted in reduced ED and hospital admissions for individuals age 16 years and older. The program has been in existence now for eighteen (18) years. In November, 2014, we then opened the **Foundation for Sickle Cell Disease Research,** a sickle cell holistic medical specialty center located in Broward County, Florida. The efforts of the Foundation provides a vehicle for medical treatment providers to address the behavioral, social, and medical needs of SCD patients. Importantly, these services are delivered within the community they reside and capitalize on the strengths of community resources. The response from the patient community has been remarkable. Patients and their families have a **Home** with easy access, and with a knowledgeable and compassionate care team.

**The Foundation for Sickle Cell Disease Research** is excited to offer a network site in the Liberty Square Community. We anticipate 2,500 – 3,000 square feet will be needed to design a state-of-the-art holistic sickle cell specialty center in the redeveloped Liberty Square. The additional expertise you provide through partnerships for economic development and access to employment and educational opportunities will address important barriers as many SCD patients are also challenged with obtaining stable employment and finding adequate housing.

The prevalence of SCD and sickle cell trait in the Liberty City community makes it a great location for the **Foundation for Sickle Cell Disease Research** to have a network presence in the now planned 21,000 square foot Wellness Center.

We look forward to working with you on this endeavor.

Sincerely,

Lanetta Jordan, MD, MPH, MPSH
Foundation President

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954.397.3251 | fax 954.374.6320 | info@fscdr.org
http://fscdr.org | FaceBook @ https://facebook.com/FSCDR | Twitter @FundSickleCell

Casa Valentina

February 1, 2016

RUDG
Alberto Milo, Jr, Principal
444 Brickell Avenue, Suite 301
Miami, Fl. 33131

Re: Liberty Square Redevelopment

Dear Albert:

Casa Valentina enthusiastically supports Related Urban's initiative application to redevelop the Liberty Square housing project. Our mission is to help foster care youth transition to independent living through housing and services. Related Urban's plan provides a footprint for integrating this growing and often overlooked population into a stable community that will help them proudly reach successful independence. We applaud your efforts to embark upon comprehensive redevelopment that will be transformative and impact one of Miami's most historic neighborhoods.

Casa Valentina is fortunate to be in its 10th year of providing affordable transitional housing and support for a limited number of young adults aging out of foster care in Miami-Dade County. While we are proud of the current level of services we offered to this very vulnerable special needs population, the unmet demand for additional housing cannot be ignored. Redevelopment of Liberty Square represents a response to a call to action to care for young men and women with unlimited potential to be productive members of our community.

Young people aging out of foster care at age 18 without a stable support system face immense challenges. Each year, in Miami-Dade County approximately 300 youth age out; throughout the Unites States, that number grows to 24,000. They are vulnerable to homelessness (33%), dropping out of school (57%), and early childbearing (65%). Nationally, more than two-thirds are unemployed at age 21. Freed from worrying about where they will live, these young adults can focus on their future.

As Liberty Square is redeveloped, it is imperative that units will be set aside for young adults leaving the child welfare system. We look forward to working with Related Urban to develop quality and safe affordable housing in an environment convenient to transportation, services and community amenities; an environment that will support this population moving forward to successful and sustainable independence.

Very truly yours,

Wanda W. Finnie
Executive Director

100

BLACK MEN

OF SOUTH FLORIDA, INC

Real Men Giving Real Time

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**Immediate Past President**

February 2, 2016

Alberto Milo, Jr.
Principal/Senior Vice President
Related Urban
444 Brickell Avenue, Suite 301
Miami, Fl. 33131

***Re: Liberty Square***

Dear Mr. Milo:

Please accept this letter of acknowledgement of the collaboration between Related Urban and the 100 Black Men of South Florida as it relates to Related Urban's planned redevelopment of historic Liberty Square. As you are aware, the 100 Black Men of South Florida, Inc. (the "100") is a 501(c)(3) nonprofit corporation that is comprised of professional men who all share the common goal of improving the quality of life for Caribbean and African-Americans as well as other minorities in Miami-Dade County. The members of the 100 have accepted a leadership role toward combating the plagues of violence, illiteracy, professional stagnation and political and economic disenfranchisement that infect our community.

The 100's collaboration with Related Urban will result in the 100 occupying 5,000 square feet of space at Liberty Square. The 100 will use the space as a permanent home for its signature program, The Dr. Harold E. Guinyard Leadership Academy, which provides consistent mentoring and intervention services to young men beginning in the 7th grade through their matriculation into college. Presently housed at the Overtown Youth Center, the 23 year old program enjoys a 100% high school graduation rate among its Young Leaders. The 100 also intends to use the space as a home for its Positive Youth Development Program, which empowers young male middle school students of all backgrounds to continue to set and achieve positive life goals while teaching them how to cope with the peer pressures and the hurdles that we know can deter them from achieving their dreams and life goals. Finally, we will also use the space as our permanent home, thereby ensuring that professional black men will be an ever-present part of the "new Liberty Square".

During our conversations, I know that you share the ideals and goals of the 100, and that you appreciate the importance and the meaning of our motto, "What they see is what they'll be". The redevelopment of Liberty Square will play a critical role in making a better Miami-Dade for all people, and the 100 Black Men of South Florida is proud to join your other community partners to realize this goal together.

Sincerely,

Stephen Hunter Johnson
President
100 Black Men of South Florida, Inc.

Easter Seals South Florida, Inc.
1475 NW 14th Avenue
Miami, Florida 33125
305.325.0470 telephone
305.325.0578 fax

Albert Milo, President Related Urban
444 Brickell Avenue, Suite 301
Miami, FL 33131

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** Honorary Member

Dear Mr. Milo:

We are delighted that you and your colleague Doug Mayer took the time to meet with myself and our Executive Director of Head Start, Malerie Sloshay. As you know, Easter Seals South Florida helps over 1,500 individuals with special needs and their families each year in Miami and Broward Counties by **Supporting and Strengthening Families living with Alzheimer's, Autism and other disabilities in our community.**

We have been providing services in our community for more than 80 years including:

- Adult Day Care; allowing adults living with Alzheimer's disease and dementia to spend their days in our centers with caring staff while their caregivers work, so they can return to their families every evening rather than living in a nursing home.
- Child development center, elementary & middle school and a culinary arts high school; each providing expert and focused help for children with autism and other special needs so they can reach their fullest potential and make progress on their journey towards independence.
- Head Start program at six locations; providing high quality, early-childhood education to preschool children living in impoverished communities, as well as support and services their families need to raise their children so they enter kindergarten ready to learn and their families are better equipped to break the cycle of poverty.

We are happy to hear about the County's plans for renovating and enhancing the Liberty City community. Easter Seals has been providing services for children, seniors and families in this community for many years and this is our fourth year operating a Head Start program. We are happy to hear that during the renovation process you understand and appreciate the importance of not disrupting the vital school readiness & family support services provided on a daily basis. We are also pleased that you plan to work with the families currently residing in the community to ensure that through all phases they will not be displaced and they will have temporary housing until the project is complete and they can move into their new home.

Further, we greatly appreciate that fact that you commit to involving members of the community and service providers during the process of assessing the needs for neighborhood related to healthcare, education, employment and other support services needed to support the children and families living in one of Miami Dade County's oldest and largest housing projects.

We wish you success in your reapplication, and if selected, Easter Seals welcomes the opportunity to work with you to better our community.

Sincerely,

Loreen Chant

Loreen Chant, President/CEO

# ART FOREVER STUDIOS

Original Fine Art

CEO 3/ft x 4/ft

Cornbread 3/ft x 5/ft

I Dream To See Miami, Florida

Sunset Mural Miami, Florida


## Addonis Parker

CEO

6140 - A NW 7TH AVENUE - MIAMI, FLORIDA
Phone: 786.294.4174
Email: addonis_parker@yahoo.com Website: www.art-forever-studios.org

Mr. Alberto Milo Jr.
Vice President
Related Urban Development Group
315 S Biscayne Blvd
Miami, FL 33131

February 2, 2016

Mr. Milo,

CREATIVE COMMERCIAL INSIGHT AND RESTORATIONS ("CCIR") is a local restoration company lead by an artist, Addonis Parker, with several years of experience in construction as well as the art industry. Our mission has been to revitalize the urban communities.

Using art as a platform, CCIR is designed and committed to completely restoring public art in communities like Liberty City that may not be aware that such services are available. We also create new art, including murals, that reflects the culture of the community. With this in mind, this letter is our proposal for the new **"Unity Thrones of Peace"**.

It is a privilege to be considered for this project. As a professional artist and muralist I understand the value of the existing work and will work closely in collaboration with your team to meet the project specifications. I have, in the past, restored murals as well as sculptures from a few well known artists including Romero Britto (Grapeland Park water sculptures),the late Oscar Thomas (Prince of Peace Mural 62nd Street & 7th Ave.), George Greenamyer (16 Smokes Sculpture –Dadeland South Metro Rail Station), and a host of others.

It is the intent of (CCIR), to develop a future partnership with Related Urban Development Group on key issues that artistically you seek answers.

Full details of the installation of public art and process will be provided. The initial procedures will involve fabricating 4 structured throne model art pieces, building platforms centering on 200ft areas — all thrones will face Unity Hall to serve as historical road map to the museum (Unity Hall), assembling each throne on sight --following the nature of design ("Unity Thrones of Peace"). The estimated schedule timeline for completion of the project is approximately 5 months at the most, factoring in uncertain weather conditions.

I have enclosed supporting documents for the project, resume and images of previous work for your review and reference. I look forward to working with your organization and to be considered as a community partner and future investment.

Sincerely,

Addonis Parker
CEO

# Liberty Square

# "Unity Thrones Of Peace"

TBA 2016

# Project Summary

This document summarizes the proposed process for conducting the ("Unity Thrones of Peace") Initiation stage during the period (TBA) through (TBA). It will be conducted by Addonis Parker CEO, Creative Commercial Insight and Restorations Inc.

The project initiation will be executed with the following phases.

I. Phase 1---Location of area to build platform for Thrones
   1. Centering the platform for proposed model chair
   2. Fabrication and design elements for proposed structure 10'/6'(base of chair)
   3. Materials will consist of recyclable tile, new steel lining and anchors, concrete and few discardables from site.
   4. Overview of structures molding and installation.

II. Phase 2--Wall prep
   1. Chairs/thrones must be cured before fine tuning detailed art components. Each throne will be carefully examined for cracks, chips or any abrasions for possible (future)complications
   2. Prepping thrones for surfacing(making smooth)
   3. Sealer will be added for longevity
   4. 2 Prime coats from Valspar Ultra Exterior Flat White Latex-Base Paint and Primer in One

# Liberty Square

# "Unity Thrones Of Peace"

TBA 2016

with Mildew-Resistant Finish---after curing process

III. Phase 3---Layout, Design, Completion / Urban Related Development Group

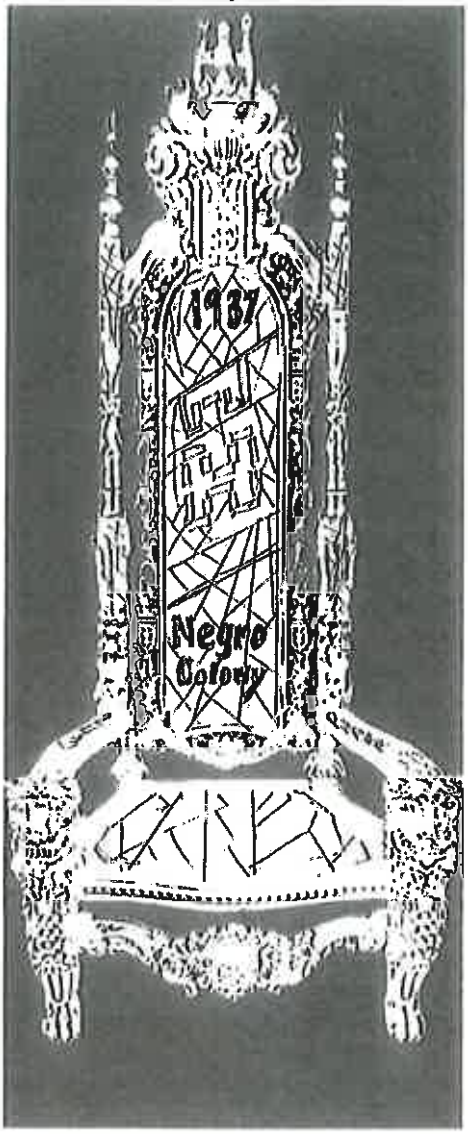
1. General layout of approved images from Urban Related Development Group
   First of 4 thrones will be done in sections 2 south thrones–2 north thrones facing Unity Hall – back towards 12 ave. All thrones will have a name and purpose
2. Rendering Negro Colony Throne (1—History of Project 1937)
3. Progression in early 60sThrone ( 2 will also include Pioneers in city and government 1960-2008)
4. Celebration of past History Throne ( 3 Africa Motherland)
5. Tomorrows Promise Throne (4 Collection of relicts from old structures celebrating lives of the people)
6. This Project will also include a new a four-foot tall wall along West 12th Avenue from North 62nd Street north to 71st Street, community project named" Unity and all of her children"

IV. (Final) Phase 4---Completion of Thrones (Unity Thrones Of Peace)

1. Final walk through before 3 coats of clear UV protectant.
2. 5 Laborers will be selected for skilled work. 4 of which will be Liberty Square residents with the proper ID and addresses.
3. All materials will be environmentally safe including water based paint material.
4. Guaranteed 7 years before fading process begins (expectation of longevity –16yrs with High exposer.
5. Either Security or paid Law Enforcement will be on sight at all times.

UNITY THRONES OF PEACE

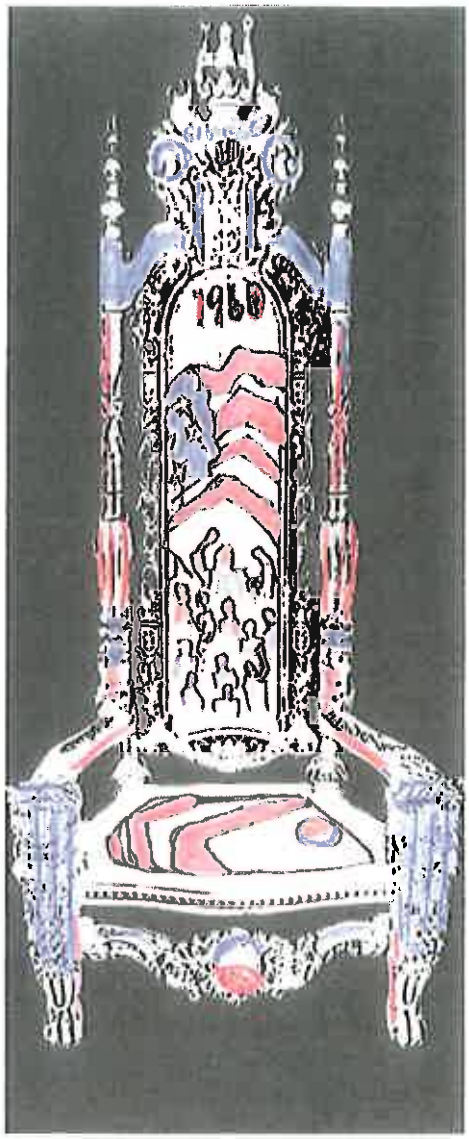
By Addonis Parker




# NEGRO COLONY 1937

UNITY THRONES OF PEACE

By Addonis Parker




# PROGRESSION IN EARLY 60'S

UNITY THRONES OF PEACE

By Addonis Parker

# AFRICA MOTHERLAND

UNITY THRONES OF PEACE
By Addonis Parker

# TOMORROW'S PROMISE

# Addonis Parker

**BIOGRAPHY**

The force behind Addonis Parker's images was born out of love of creation and the respect and honor of his past forerunners who had neither the opportunities nor the civil rights to become the artist that he is today. He is an American artist who paints and understands the impact of his contributions as an artist to his community. Addonis Parker was well known in Central Florida, Atlanta, Georgia art circles before coming to Miami. He has been recognized for his artistic ability since the age of 4. He is an accomplished portrait painter, muralist and collage painter. Addonis attended Brevard Community College in Florida majoring in Art and Computer Science. He attended Morris Brown College in Atlanta, Georgia obtaining continuing education credits in Art History & Music, and started an AUC Center art group from 1997 to 1998. It was then that Addonis became involved in after-school and community based art programs as the Program Director for recreation art, and science classes at the YMCA.

Mr. Parker is very sensitive to the needs of young people today. Endeavoring to help steer them in a better direction, he gives time and talent to the youth of his community, teaching art, working with youth on public mural projects, and mentoring. His talent has served as a meaningful vehicle to accomplish these tasks. His work with the community influences his body of work and serves as a reminder to all of the beauty of African-American culture.

Addonis Parker's paintings are strong and real. He captures the strength of character, deep emotional expressions and struggles of Black life in a manner that only a few have dared to paint. Addonis was deeply inspired by the works and life stories of Charles White and Ernie Barnes. He shares their philosophy of using art to address social issues and inspire a sense of pride in the minds and hearts of all towards Black people. His paintings are his voice, a voice of love for his people.

His love and talent for art is almost innate. Inspired by family, life experiences, and his own struggles with life in the inner city even being homeless himself for a while, Addonis made the decision to give back to the inner city by teaching art and establishing art programs for inner city kids in Miami. From the YMCA to group homes for boys and the juvenile justice system to his own Art Forever Studio in Miami, Addonis is striving to reach the hearts and artistic minds of at-risk youths. The titles he has held in that regard have almost been as many as the awards he's received and pieces he has done for several city and state governments, major corporations, and educational facilities.

# Addonis Parker
***Resume***

6140 A NW 7th Avenue Miami, FL 33127
Phone: (786) 294-4174 – E-mail: addonis_parker@yahoo.com
Website: http://www.addonisparker.com/

**EXPERIENCE**

**Art Forever Miami, Inc.**, President and CEO, May 2004 – Present
**Butler Street YMCA**, Program Director - 1999
**Inner City Renaissance Artists, Inc.**, Vice President (artist group) 2006 - Present
**Miami Rivers of Life**, Life Skills and Recreation Manager, Youth Home for Boys – 2001
**Artopia Gallery**, Founder, Wynwood Art District, Miami, FL 2002
**Arts For Learning**, Art Instructor, Muralist, 2002 – 2007
**Department of Juvenile Justice/Troy Academy**, Miami, Florida, Art Director and Life Skills Manager, 2003-2004
**Allapattah Magnet Program**, Art Instructor - 2005

**EDUCATION**

**Morris Brown College, Commercial Design & Architectural Design** , 1996-1998
**Georgia State University**, Art History, 1994-1996
**Brevard Community College**, Art History & Computer Science, 1993 -1994
**Georgia Military College**, 1992

**EXHIBITIONS**

**"Middle Passage"**, Morris Brown Gallery, Atlanta, Georgia – 1997
**"Atlanta Artist Club"**, Galleria Mall, Atlanta, GA – 1998
**"Carrie Meeks Retirement Event", Solo Exhibition** – 2002
**"The 2nd Annual Oscar Thomas Exhibit"**, Amadlozi Gallery, Miami, FL, April 2002
**"Outlaw Art"**, Artopia Gallery, Miami, FL – 2002
**"Uncle Al Peace In The Hood"**, Miami, FL – 2003- 2005
**"The 3rd Annual Oscar Thomas Exhibit"**, Amadlozi Gallery, Miami, FL, April 2003
**"The Urban Community"**, Lyric Theater, Miami, FL - January 2003
**"The 4th Annual Oscar Thomas Exhibit"**, Amadlozi Gallery, Miami, FL, April 2004
**"The 5th Annual Oscar Thomas Exhibit"**, Amadlozi Gallery, Miami, FL, April 2005
**"The 6th Annual Oscar Thomas Exhibit"**, Amadlozi Gallery, Miami, FL, April 2006
**"Magic Johnson Appreciation"**, Martin Luther King EDC, Miami, FL, - 2006
**"Under The Bridge", Art Basel**, Miami Design District – December 2006 & December 2007
**"The Flavor of Color", A Salute to Black History Month**, Miami Dade Water & Sewer Dept.- February 16, 2007
**"Steve Harvey Show", Solo Exhibition**, Joseph Caleb Center, Miami, FL – February 2007
**"The 7th Annual Oscar Thomas Exhibit"**, Amadlozi Gallery, Miami, FL, April 2007
**"Calabash Art Festival"**, Featured Artist, African Heritage Cultural Art Center, May 2007
**"Sisters Only"**, Broward Convention Center, Fort Lauderdale, FL – June 2007
**"Young Gifted and Black", Solo Exhibition,** The Old Dillard Museum, Ft Laud. FL, July 26 - August 30, 2007
**"Chamber of Comm. Exhibition"**, Amadlozi Gallery, African Heritage Cultural Arts Ctr, Miami, FL Oct. - Nov 2007
**"The Eyes of Painted Voices", Inner City Renaissance Artists Group Exhibition**, Amadlozi Gallery, The African Heritage Cultural Arts Center, Miami, FL - Nov 16, 2007
**"Kwanzaa Art Festival"**, The African Heritage Cultural Art Center, December 2007
**"The 8th Annual Oscar Thomas Exhibit"**, Amadlozi Gallery, Miami, FL, April 2008
**"Juneteenth & The Quest for Independence in the Americas"**, Old Dillard Museum, June 19 - August 18, 2008
**"Soul On Ice"**, The African American Research Library and Cultural Center, Fort Lauderdale, FL - Old Dillard Museum), July 5 - 26, 2008
**"Tim Hardaway Foundation Event"**, Biltmore Hotel, Miami Beach, FL, Jan 2010

**"Ujamaa", The Togetherness Project, Group Exhibition,** The Old Dillard Museum, Ft Laud. FL, February, 2013
**"Black History Month", Group Exhibition,** The Old Dillard Museum, Ft Laud. FL, February, 2014

**SOLO EXHIBITIONS**
**Black History Month 2015, City of North Miami,** Miami, FL February 2015
**Black History Month 2013, City of Miami,** Miami, FL February 2013
**Black History Month 2013, Aventura Hospital,** Miami, FL February- March 2013
**Miami Chamber of Commerce,** Miami, FL March 2012
**"ADDONIS PARKER REVEALED"**, Biltmore Hotel, Coral Gables, FL 2009
**Steve Harvey Show,** Joseph Caleb Center, Miami, FL – February 2007
**Young, Gifted and Black,** Old Dillard Museum, Ft Laud., FL, July 26-Aug 30 2007
**Carrie Meeks Retirement Event –** Miami, FL 2002

**MEDIA INTERVIEW**
**OneUnited Mural Project "Thunder & Enlightening" Mural Unveiling,** MSNBC, July 2015
South Fla. Artist restores public art, creates own magic Channel 10 News ,
Author: Janine Stanwood, Reporter May 25, 2014

**SPEECHES**
**"Break Out Miami"** Overtown Youth Center at the Freehand Hotel Arts Speech Miami Beach, Fl Jan, 2016
**"Art In The Park"** Opa Locka Community Arts Speech Opa Locka, Fl May, 2014
**"Festival of the Arts–Art Talk", Miami Dade College N. Campus**, Miami, March 2011
**"Arts Day", North Beach Elementary**, Miami Beach, FL, May 2010
**"Community Speech"**, Miami Edison Middle, Miami, FL 2004

**ART SHOWS**

**Macys Black History Art Exposition, Miami, FL** February 2012
**Miami Herald Black History Art Show, Miami, FL** February 2012
**Art Africa, African Heritage Cultural Arts Center 2012**
**Curator, Overtown Rhythm and Arts Festival**, Miami, FL April 2011
**Art Curator, Eyes of the Soul**, St. John Baptist Church, Miami, FL Dec 2010
**Midtown Urban Art Show**, Midtown Commerce Center, Ft. Laud., FL September 2010
**The Wynwood Latin Music and Art Festival** – Miami Design District, October 6, 2007
**Belafonte Tacolcy 40th Annual Anniv. Celebration Art Exhibition**, Miami, FL – Nov. 2007
**Miami Dade Chamber of Commerce – 2nd Annual Gala Art Show**, Miami, FL – Dec 2007

**PUBLIC MURAL COMMISSIONS**
**"Yesterday and Forever"** Overtown MetroRail Mural Project, February 2015
**"Thunder & Enlightening" Unveiling OneUnited Bank Mural Project,** Liberty City Renaissance, January, 2015
**B Wright Leadership Academy** School Shield Painting August, 2014
**"Yesterday, Today, Tomorrow,"** Scott Carver Installation, March, 2014
**"I Dream To See"** Joe Celestin Recreational Mural, City of North Miami, 2013
**"And A Child Shall Lead Them",** Gibson Park, Miami, FL November 2012
Dade County Public Library Paintings, 2012
**"Sunset Mural",** Pinnacle Plaza, 2010
**"The King Has Fallen"**, City of Miami, 2010
**"Peace and Serenity",** Pinnacle Plaza, City of Miami, 2010
**"Butterfly Garden" Neighborhoods in Bloom**, City of Miami, 2010
**"Urban Exchange"**, MLK Economic Development Corp, 2009

**"Sugarcane Alley"**, Pinnacle Housing Group, Oct. 10, 2008
**"Diversity and Peace Mural"**, Brentwood Park Pavilion, Miami Gardens, FL, 2008
**"Children's Wall"**, Mary McLeod Bethune CAA (Pre-K), Miami, FL, 2007
**"River of Life"**, for client Earnest Parker, 2007
**"I Cry"**, Haitian Play Stage Backdrop, Miami, FL 2006
**"Real Vibes"**, MTV for Source Awards, 2005
**"Victory Park"**, Edison Park, Miami, FL, 2005
**"Free World"**, Edison Middle School, Miami, FL, 2005
**"United World"**, Drug Free Youth in Town, Miami, FL, 2004
**"William English Plantation"**, Historical Mural, 2004
**"New Beginning Mural"**, M. Athalie Range Park, 2004
**"A Step Up in the Game"**, M. Athalie Range Park, Miami, FL, 2003
**"Faces of Miami"**, Martin Luther King Business Center, 2003
**"New Day Mural"**, Reeves Park, 2002
**"Diminishing Africa"**, Allapattah Middle School, 2002
**"Art of Harmony"**, Coca Cola Project involving 11 murals in the Miami Area, 2001
**"Elaine the Mystic"**, for client Elaine Johnson, 1997
**"Military Minded"**, Georgia Military College, 1991
**"Pool Time"**, Joe Lee Smith Center, Cocoa, FL, 1989
**"Jesus"**, St. John Church of God in Christ, 1989
**"Tiger Pride"**, Cocoa High School, 1989

**RESTORATIONS**

**"Tracks" Sculptre, Gene Kangas,** Allapattah Station Metro Transit System, Miami FL, May, 2014
**"16 Smokes", George Greenamyer Sculptre,** Miami, Fl December 2013
**Purvis Young Mural, Gibson Park, Miami, FL** November 2012
**Metrorail Bus Station, 79th Street & 12th Ave**, Mosaic Tile Mural, Miami, Sept. 2011
**Little River Plaza**, Mosaic Tile Mural, Miami, FL, August 2011
**Women's Park**, Mosaic Tile Mural, Miami, FL, August 2011
**"Monument of Peace / Swords to Plows, Pelican Harbor Bay Park**, Metal Sculpture, Miami, June 2011
**Margaret Pace Park, Three Mosaic Tile Chairs – Each 20 Ft. Tall,** Miami, FL, May 2011
**Metrorail Station, 79th Street & 27th Avenue**, Purvis Young Mural – 30' x 40', Miami, February 2011
**"Prince of Peace"**, Restoration of the Historical Oscar Thomas Mural, 2006
**Restoration of Malcolm X Mural**, Cocoa, FL 1994
**Restoration of Malcolm X Mural,** Cocoa, FL, 1993

**AWARDS**

**2015 School Board District 9 Exemplary Award,** Dr. Larry Feldman, July 2015
**2015 S. Florida's 50 Most Powerful & Influential Black Professionals in Business & Industry for 2015,** May 2015
**2015 City of North Miami Recognition Award Black History Role Models of Excellence**, Office of the Mayor
**2015 African American Achievers Nominee, February 2014,** JM Family 2015
**2010 Jazz In the Gardens Theme Poster**, By Mayor of Miami Gardens, Shirley Gibson
**2010 Miami People 2010 "Magic City's 30 Most Scintillating Characters",** Miami New Times, November 2010
**2009 Impact Award**, By the Amadlozi Gallery, Miami-Dade Division of Cultural Arts
**2007 Van Guard Award**, Presented by Dade County Parks and Recreation
**2007 People Choice Award**, Presented by the African Heritage Cultural Arts Center
**2005 Community Icon Award**, By Mayor Manny Diaz for Community Involvement
**2003 "Artist of the Year" Miami Dade**, Presented by Liberty City Cultural Affairs
**1998 "Artist of the Year"**, Presented by Atlanta Artist Club
**1997 "Best of Show"** (Art) in AUC Center
**1991 "Who's Who in ART"**, Presented by Who's Who

# Multi-Ethnic Youth Group Association, Inc.

***Board Members***

Doug Mayer
President

Marvin Jackson
Vice President

Pat Santangelo
Treasurer

Joan Bellamy
*Secretary*

Samantha Quarterman
CEO/Executive
Director

Albert Milo, President
Related Urban
444 Brickell Avenue, Suite 301
Miami, FL 33131

Dear Mr. Milo:

I am delighted to have the opportunity to write this letter of support for the resubmission of your application to Miami-Dade County Public Housing and Community Development's RFA for the Redevelopment of Liberty Square and Lincoln Gardens "Liberty Square Rising" RFA 2015-01. We understand and support the idea that the redevelopment of Liberty Square provides our community with the opportunity to reach out to the residents of Liberty City to provide job training and employment.

We understand Related Urban is one of the largest developers of affordable housing in Florida and has the financial strength and experience to successfully complete the redevelopment of Liberty Square. Further, Related Urban has also demonstrated its willingness to meet with and to accommodate whenever possible the ideas and concerns of Liberty City residents.

MEYGA is an acronym for Multi Ethnic Youth Group Association and our headquarters and services are located in the Community Center space at Liberty Square. MEYGA is a nonprofit organization that has a school, a after school and summer program for the youth of Liberty Square and surrounding areas, as well as a variety of services and activities for the elderly. It provides excellent role models, educational, cultural, and social activities that these kids so desperately need.

MEYGA has been providing these services to residents at the Liberty Square Community Center at the no charge for 10 years and there is no other service program for the children above the age of 5 years who live at Liberty Square. MEYGA is now working with Kevin Kirwin, Director of the City of Miami Parks Department, to obtain use of the African Square Park (which is directly across the street from Liberty Square) for its programs which will give MEYGA a new and larger temporary home while the redevelopment of Liberty Square takes place.

We wish you success in your reapplication and if selected MEYGA welcomes the opportunity to work with you to better our community.

Sincerely,

Joan Bellamy
Board Secretary

6306 N.W 14 Avenue, • Miami, Fl • 33147 • Phone: (305) 693-6000 • Fax: (305) 696-9103

FLORIDA MEMORIAL UNIVERSITY

A PROMISE. A FUTURE.

OFFICE OF THE PRESIDENT

July 7, 2015

Mr. Alberto Milo, Jr.
Principal/Senior Vice President
Related Urban
315 S. Biscayne Blvd.
Miami, FL 33131

Dear Mr. Milo:

I write to express my support for the proposal submitted on behalf of Related Urban Development Group, LLC for the Liberty Square Development Project. Upon review of the concept, I am incredibly pleased with the level of care taken to create a viable and more importantly, a sustainable community. The proposal contemplates a holistic development to include healthcare, education and high quality living spaces that work together to create a fertile environment for business to grow and prosper. As the President of South Florida's only historically black college, I am also particularly impressed with the proposal's inclusion of a museum area to document and preserve the unique history and character of Liberty City. Further, it is clear Related shares my passion for education. Florida Memorial University stands ready to partner as we endeavor to find ways to expand access to educational opportunities for underserved communities like Liberty City. I hope to continue our conversations about offering courses and programs to residents and providing scholarship assistance to deserving students from the community.

While many have expressed a desire to play a role in the development of Liberty Square, I am happy to see a company with a stellar track record of community redevelopment compete for this important project. It is my sincere hope that Related Urban Development Group's thorough proposal receives a favorable review. The company has invested the time and energy into creating a plan that captures the essence of Liberty City and prepares it to take its rightful place among the nation's best multicultural communities. Moreover, the company has pledged its support to the inclusion of minority sub-contractors and businesses, thereby enabling the residents of Liberty City the opportunity to play an integral role in their own future. This commitment, together with the content of the plan merit careful consideration and our support.

Sincerely,

Roslyn C. Artis

Dr. Roslyn Clark Artis
President

C: Mrs. Woodie Lesesne, Lesesne Media Group

UNIVERSITY OF MIAMI
SCHOOL of
ARCHITECTURE

Office of the Dean
P.O. Box 249178
Coral Gables, Florida 33124-5010
Ph: 305-284-5000
Fax: 305-284-5245
arc.miami.edu

June 24, 2015

Alberto Milo, Jr.
Principal / Sr. Vice President
Related Urban
444 Brickell Avenue, Suite 301
Miami, Fl. 33131

Re: Redevelopment of the Liberty Square Public Housing Project

Dear Mr. Milo,

Thank you for taking the time to meet with me last week to share your vision for the redevelopment of Liberty Square. The University of Miami's School of Architecture has tremendous experience mounting charrettes and design studios that enable the community's participation and engagement. We will gladly work with your development team to engage the residents and come up with a design that incorporates all community stakeholders to help create a thriving community.

You mentioned that crime is high in the area. We can work together with your AE team to include design elements that have been proven to help reduce crime by creating more walkable neighborhoods and "eyes on the street".

I am very excited about the real life experience that this project will provide for our architecture students. The UM School of Architecture has a long standing relationship with The Related Group and this project will continue that relationship long into the future. Please keep me informed on the progress of the project.

Sincerely,

Rodolphe el-Khoury, PhD
Dean and Professor of Architecture & Urbanism

FIU | FLORIDA INTERNATIONAL UNIVERSITY

June 18, 2015

Mr. Alberto Milo
Senior Vice President
Related Urban
444 Brickell Avenue, Suite 301
Miami, FL 33131

Dear Mr. Milo,

On behalf of the FIU College of Architecture + The Arts, please allow me to express my appreciation for your contacting me to discuss the many collaborative and beneficial ways that we can participate in the Liberty Square redevelopment project.

The College's engaged mission is to use the power of architecture and the arts to *create, innovate,* and *inspire* solutions to local challenges with national and global impacts. The Liberty Square redevelopment project aligns with our vision and provides our faculty and students in the college's seven departments — Communication Arts, Music, Theatre, Art + Art History, Architecture, Interior Architecture, and Landscape Architecture + Environmental and Urban Design — to work collaboratively with our community to create career training and economic development opportunities.

With proper space allocation and funding, among the many services and programs that we could provide to enhance the project is a model program developed by our Communication Arts faculty. The program facilitates community dialogues between law enforcement and youths in order to find non-violent solutions to problems. The faculty are also able to offer training for law enforcement officers to improve communication with the diverse communities they serve and protect.

The College is also eager to continue the visual arts programming relationship that our Artist-In-Residence Xavier Cortada has established with Related Urban for several of their elder housing development projects. Additionally, our School of Music and our Department of Theatre could provide public concerts and performances in an onsite venue

Beyond cultural arts programming, the College is happy to offer youth and their families in Liberty Square an opportunity to envision and access the many career paths and jobs that are available in high demand fields with degrees and certificates offered by the college, such as graphic design, theatre production, computer animation, managerial communication, architecture, arts management, and music business to name just a few possibilities. Through our public-private partnerships with Royal Caribbean Cruise Lines and the Coconut Grove Playhouse; FIU's venues and state-of-the-art educational facilities on the Modesto Maidique Campus, Biscayne Bay Campus, Brickell Avenue, and Miami Beach Urban Studios; and through our extensive, local network of more than 200,000 alumni, the college can offer the introduction to endless sources of opportunities, support, inspiration, mentors, and possibilities for the residents and surrounding communities of Liberty Square.

Thank you, once again for the opportunity to partner with Related Urban. We look forward to becoming an integral part of this truly transformational project.

Sincerely,

Brian Schriner
Dean

COLLEGE OF ARCHITECTURE + THE ARTS
Office of the Dean
11200 SW 8th Street, PCA 272 • Miami, FL 33199 • Tel: 305-348-7500 • Fax: 305-348-6716 • carta@fiu.edu • carta.fiu.edu

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# Liberty City Community Collaborative for Change

## VISION, MISSION, PLEDGE, GUIDING PRINCIPALS AND ACCOUNTABILITY STATEMENT

**HOST/CONVENER**

MIAMI CHILDREN'S INITIATIVE

# Vision Statement

(Approved on Nov. 15, 2013)

Our vision is of a Liberty City where residents, businesses, and ALL people flourish in a world-class community.

# Mission Statement

( Approved on October 25, 2013 )

The mission of the Liberty City Community Collaborative for Change is to create and sustain a system of care that facilitates the education, safety, health and well-being of ALL in Liberty City.

# The Pledge

(Approved on October 25, 2013)

Trusting in a higher power, we pledge to commit intellect, skill, time, talent and treasure to our mission, to respect every person we seek to help, to use love as a guiding principle and to work together to seek the resources to make "liberty" finally mean just that in Liberty City. We will ensure that every person in the Collaborative or who joins it maintains respect for everyone else. Collectively, we make this commitment.

We recognize that this community bears the historical scars of political neglect, racial and ethnic suppression and economic deprivation. Therefore, we are determined that past mistakes will not hinder present progress and that we are the "help we've been waiting for". We will value one another and the people we serve.

**We are fully committed to the Village.**

# Guiding Principles

(Approved on October 25, 2013)

The members of the Liberty City Community Collaborative for Change:

1. Agree that children and families are our community's most important resource.
2. Agree that families must be fully supported in their efforts to rear healthy, happy, hopeful children.
3. Agree that we are the village responsible for all children's welfare, growth, education and development.
4. Agree to design an improved service delivery system in Liberty City to elevate and better serve the needs of the village.
5. Agree that every member of the Collaborative is part of our intellectual capital and brings to the group valuable knowledge, love and services that are vital to the mission of uplifting children and families in the village.

# Guiding Principles

(Approved on October 25, 2013)

The members of the Liberty City Community Collaborative for Change:

1. Agree that we are all leaders and will allow leadership to be shared for the greater good.
2. Agree that we will not allow pride or personal interests to interfere with our work. Egos are not more important than efforts.
3. Agree that the children and families of Liberty City must have access to the best educational opportunities possible.
4. Agree that the spiritual, emotional, mental and physical health and well-being of families are vital assets.
5. Agree that we will partner and collaborate with all political, funding and other resources (especially the Miami Children's Initiative) available to make the Collaborative a success.

# Accountability Statement

(Approved on January 24, 2014)

As members of the Liberty City Community Collaborative for Change, we are accountable to the residents, businesses, and all stakeholders of Liberty City. As leaders of change within the world, we will invest in one another and in the families of Liberty City where we are measured by progress and action. We will respect and hold one another accountable in our work and in our words to be more than ideas, but outcomes.

URGENT, INC

# Annual Report

2013-2014

***Vision-***

# About Us

***Mission:***

## Guiding Principle

## Core Beliefs

Innovate

Grow

Transform

# Our Governance Team

*The members of URGENT's board of directors*

Dennis Horton, Chairperson | Jeanette Stanley, Secty./Treasurer | Marcos Lapciuc
Dr. Patrick Williams | Atty. Jacqueline Ledon | W. Marvin Wilmoth | Caridad Hernandez
Edgar Duarte

# Our Executive Team

**Henry Crespo, Sr.**

*President & Founder*

**Saliha Nelson**

*Vice President & Project Director*

**Shedia Nelson**

*Administrative & Program Manager*

**Emily Gunter**

*Director of Building Literacy Through Arts and Cultural & Out of School Time Initiatives*

# Our Program Portfolio

*URGENT, Inc. concentrates its work with empowering youth between the ages of 6-24 who live within the City of Miami communities of Overtown, Little Haiti and the South Dade community of Goulds.*

**Rites of Passage**

**Youth Empowerment After School**

**YES! Camp**

# Our Program Portfolio

*Each year URGENT serves approximately 300 children, youth and caregivers year-round.*

Campaign 4 Girls Well Being

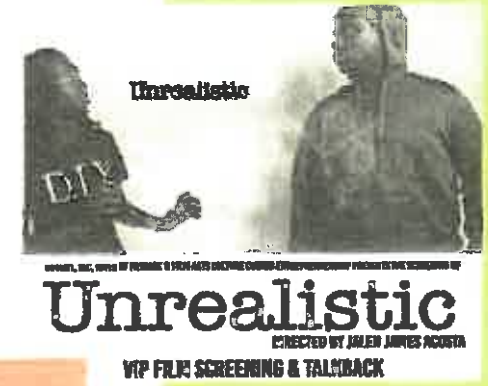
Murals for Dorsey Park

Intergenerational Project

Film Arts & Culture
Coding
Entrepreneurship (FACE)

# Portfolio Products

## Featured



Teen Dating Violence Prevention Tool Kit

Dorsey Detector

Feature & Short Films

Policy Change

# Impact Performance Summary

*URGENT is dedicated to document impact through assessment, evaluation and administrative and fiscal accountability.*

# Rites of Passage Program

*"In Rites of Passage, I learned how to respect myself and others."*

Girls make their case to FL Senator Bill Nelson, School Board Member Dr. Dorothy Bendross- Mindingall and County Commissioner Audrey Edmonson

Participants

80

100% Girls

Race & Ethnicity

65%

between 15-19

72%

increase in participants

School Participation

100% Outcomes

*"I learned to believe in myself."*

# Film | Arts & Culture | Coding | Entrepreneurship

EARN. LEARN. GROW. LEAD

*I accomplished my short term goals for this summer which were to open up a little more and to learn how to communicate with others positively. I also wanted to learn more about computers which I expanded my knowledge on command prompt.*

*The most valuable activity I experienced was designing the app for Dorsey park and also learning how to create a fully functional website. I also learned how to put the app together and build it from scratch.*

*The biggest success that I had from this program was actually completing all of our projects. Every time that I completed a project it was a big accomplishment for me because I knew that I completed something that I would have never thought of before.*

**Film- 38%**

Interns learned the fundamentals of writing, shooting, directing and editing a film and produced a professional grade film, "Unrealistic."

88 youth

16-24 hours

**Arts & Culture- 13%**

Interns worked on a public art mural designed to revitalize Overtown's Historic Dorsey park, home to games played by Negro League Baseball



**F.A.C.E. EXPO**

The Experience

Film | Arts & Culture | Coding | Entrepreneurship

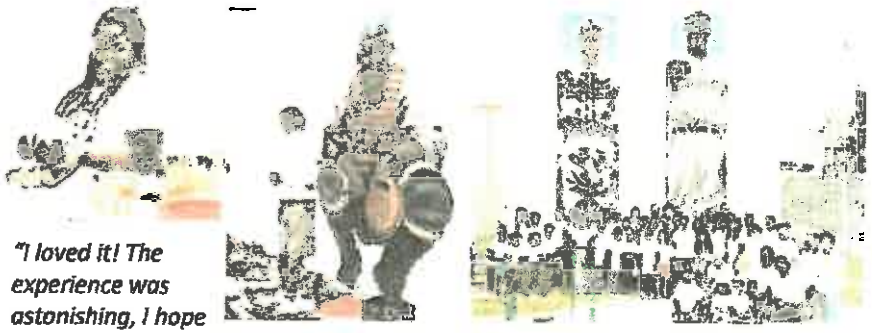
*The Achievers*

**Coding- 23%**

Interns designed a mobile game application, learning to code, use app design software and published "Dorsey Detector," on the App Store and Google Play.

**Entrepreneurship- 26%**

Interns learned the fundamentals of business, business plan development, sales and developed Overtown's YP Pop-Up Shop.



*"I loved it! The experience was astonishing, I hope the mural turns out super pretty!"*

# Murals for Dorsey Park

The Murals for Dorsey Park Project inspired and engaged young artists by having them create Murals in Historic Overtown's Dorsey Park, home to games played by Negro League Baseball. Under the guidance of internationally renowned artist and author Kadir Nelson and other local mentoring artist, the park is now home to over 6,000 square feet of murals.

**Historic Park Transformation**
30 Summer Arts Internships, 20 Mentoring Artists & 12 seamsters

**Community Paint Parties**
650 engaged children, youth, families, clubs and business

**Mobile App**
Dorsey Detector on the App Store for iPhone and Google Play for Android

**Website**
www.dorseydetector.com

*100 %of volunteers reported they felt proud to contribute to this project*

# Portfolio Supporters

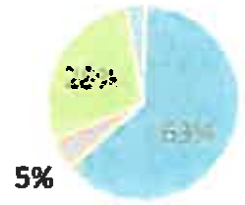
*URGENT's programs are supported by federal, local, foundation, corporate and individual donors.*

FY 13-14
Budget
$833,391

Programs

Administration

FY 2013

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ACADEMICA

June 24, 2015

Alberto Milo, Jr.
Principal / Sr. Vice President
Related Urban
444 Brickell Avenue, Suite 301
Miami, Fl. 33131

Re: Redevelopment of the Liberty Square Public Housing Project

Dear Mr. Milo,

Thank you for taking the time to meet with me to share your vision for the redevelopment of Liberty Square. It is refreshing to know that your redevelopment plan is emphasizing education, starting with early childhood education all the way to a college education.

Academica provides services to charter schools in six different states and is the largest charter school Education Service Provider in the State of Florida. The majority of our schools cater to minority students from disadvantaged households. Our plan is to start with a kindergarten to second grade charter school and then grow into a larger school thru eighth grade and possibly a high school.

The team at Academica and its affiliates have constructed more than 30 charter school facilities. We are well versed on the New Markets Tax Credit programs and have existing relationships with several national lenders, such as JP Morgan Chase, Regions Bank and Bank of America Merrill Lynch.

We are excited about the opportunity to partner with Related Urban and Miami-Dade County on this historic effort. A quality primary education provides the foundation for children to become successful in the future and that is what the Academica network of schools will provide to the community.

Please let me know if you need any additional information from me and keep me informed on the progress of the project.

Sincerely,

Fernando Zulueta
President

6340 Sunset Drive • Miami, Florida 33143 • Phone (305) 669-2906 • Fax (305) 669-4390

**Liberty Square** once revered as a utopian solution to black poverty during the pre civil rights era, was the first public housing project for blacks in the Southern United States. Opened in 1937, it was hailed to "be one of the greatest blessings Miami ever had". By the mid-'70s, middle-class tenants were pushed out to make room for more poverty stricken newcomers. A favored southern food staple, Pork 'n' Beans became the nickname for Liberty Square. Today, wrought with hopelessness, poverty, crime and history of violence for decades, the proclaimed greatest blessing is now a place of despair. However, gains can be achieved by building on the positive adaptations of Liberty Square residents who have already found ways to cope with chronic urban violence in their everyday lives. Related Urban and their partners will create the opportunity for residents to articulate and voice what are their priorities. This comprehensive redesign project has a great opportunity to create the kinds of spaces that recognize the dignity of life and respect for a historically proud community.

The University of Miami Miller School of Medicine's Department of Public Health will partner with Related Urban to create positive urban resilience. **Positive resilience** is the ability of residents to recover quickly and with more determination and resolve to be successful, even after they have been knocked down by circumstances. Positive resilience creates the opportunity for communities to achieve relative stability and tranquility, even in communities beset by violence and crime. The goal of the University of Miami's partnership with Related Urban is to develop a framework of strong and cooperative relationships between residents, and different stakeholders—businesses, civil society, the police, and other relevant groups. We base our proposal to develop **positive resilience** on pioneering research conducted by Felton 'Tony' Earls in Chicago who discovered the protective effect of what he called "social capital" defined as the networks of relationships among people who live and work in a particular neighborhood, that enable the residents of that neighborhood to function effectively, in spite adverse circumstances. In a sound bite this work can be defined by the truism, "It takes a village to raise a child". In our work we will promote social capital which yields **positive resilience** such that residents will be bonded in their common goal of securing their neighborhood, looking after each other and each other's children.

Our work assumes that certain aspects of resilience are a given: 1) improvement in the physical infrastructure, 2) growing commercial activity with the opportunity for jobs and job training, and 3) community-oriented policing. These attributes, together with a community with high social capital will produce the dynamic capacity to subvert the perpetrators of violence and establish everyday normalcy for citizens of Liberty Square. Community-state networks of accountability will tie them to each other at the level of the community. The security activities produced through community-state networks become accountable, legitimate, and durable when they will be directed and monitored by the community themselves, but in a relationship of **cooperative autonomy.**

Urban resilience benefits from good urban planning such as building infrastructure that enables free movement of people within and between all neighborhoods (via pedestrian corridors; parks; public transport) to promote security and livelihoods; and the creation of defensible space (with "eyes on the streets") that can be supervised by the residents. Community citizens of all income groups will have the opportunity to live in a vibrant neighborhood where social, economic, and residential activities and priorities reinforce each other in ways that bring a community together in the service of protecting and securing those spaces.

The relationship of at-risk communities with the police is often troubled. Hence, the need for **legitimate security** is paramount. Legitimate security fosters broad participation and initiatives

from "below" with an increased focus on multi-sector partnerships to provide more effective, lasting, and accountable ways forward for communities seeking security. Legitimate security addresses this by seeking to ensure local democratic and participatory governance in every sense—political, civil, and social. It recognizes needs specific to marginalized and underrepresented populations, including ethnic/racial minorities, women, the poor, and the elderly. It is, moreover, a viable alternative to deleterious responses to insecurity—e.g., privatization of security, fortification of urban spaces, and vigilantism, among others. Democratic, participatory governance will be built using the techniques of Paulo Freire, who developed a method for empowering the poor by eliciting their views and through a participatory process create a governance that reflect the values, goals, dreams and intentions of the residents.

**Data** – Careful consideration will be given to how to define and measure success. Resilience for the Liberty Square Community is defined as those acts intended to restore or create effectively functioning community-level activities, institutions, and spaces in which the perpetrators of violence are marginalized and perhaps even eliminated. Psychological risk will be defined and assessed along with the provision of mental health services to address preventable and treatable disorders. Social capital will be defined as the extent to which residents feel bonded to their neighbors and their neighborhoods and the belief that neighbors can rely on each other in times of need.

**Challenges** - Indicators associated with conventional violence statistics include the fact that:

- Reduced crime rates can be a result of the persistence of criminal influence and power structures instead of reduced violence.
- Crime is territorially mobile. Successes in reducing violence may just mean that crime migrates elsewhere. Out of sight, out of mind.
- Formal changes in state capacity or legal context sometimes empower those already in criminal networks, and outcomes will depend on a functioning criminal justice system.
- Neighbors must own their neighborhood and develop the belief that together "as a village" they can become responsible for their own destiny and that of their neighborhood.

**Challenges with Interpreting Quantitative Indicators**

- Rising crime rates can mean a winning strategy or a failed "war".
- Falling crime rates can imply a re-establishment of criminal hegemony rather than its defeat.
- Citizens are influenced by subjective framings instead of objective facts.
- Policing and legal systems may be complicit in the violence, making reporting rates suspect.

**Strategies to Complement Quantitative Analyses**

- Understand the biases and agendas of organizations collecting and interpreting statistics.
- Identify relevant surveys and statistics for the particular area after gaining an understanding of the texture and history of violence.
- Engage in qualitative research (cognitive maps, ethnographic accounts, grounded field research) and evolve quantitative indicators for everyday urbanism and violence.

At Jessie Trice Community Health Center, Inc.

Dentistry

School-Based Health

Obstetric/Gynecological Care

HIV/AIDS Services

Family Medicine

Pediatrics

Nutrition

Behavioral Health

Healthy Start Program

Affordable Health Care

Optometry

Transportation

## WHO WE ARE

Prior to 1968, healthcare for residents of the Liberty City area was provided by a small number of physicians and dentists and the Dade County Department of Public Health. Hospital services were available at Christian Hospital, a forty bed Black-owned, not-for-profit neighborhood facility, and Jackson Memorial Hospital. At Jackson Hospital, many residents sought emergency care as their usual and only contact with the medical community. Other hospitals were available outside of the community, but only those that were desegregated permitted access for residents that could afford such care.

In 1967, President Lyndon B. Johnson and the United States Congress made funds available for the underserved and uninsured through the Equal Opportunity Act to improve inner city healthcare. Dr. Lynn Carmichael, the pioneer of Family Medicine, a friend and avid supporter of healthcare equity, and a practicing Physician and Professor at the University of Miami School of Medicine, applied for and received approximately $1.6 million to establish a medical home. The funds were designated for a Health Center in the Model City area of Dade County. Liberty City, declared as a community of poverty and the medically underserved, was selected as an official area to establish a medical home. The Health Center would be a not-for-profit organization with a majority neighborhood and ethnically appropriate Board of Directors. Its mandate would be to bring comprehensive medical, dental, psychological and social services to the economically depressed Model City. Thus, was the birth of *Economic Opportunity Family Health Center* (EOFHC), fondly known as "*Family Health Center*".

- EOFHC is the first non- profit federally qualified community health center in the state of Florida.

The initial meetings about the Health Center were conducted in the University of Miami's Sewell Building. Dr. Carmichael and Charles Norwall, Administrator, Jackson Memorial Hospital, were leaders of the brain trust. Three residents of Liberty City served on the original Board of Directors: Mr. Willie Dillard, Ms. Louise Butler, and Dr. H. Melton White.

- Dr. Edgar Reed, EOFHC 's first employee was hired as the Medical Director.
- Dr. Thomas L. James, EOFHC's second employee was hired as the Dental Director. Dr. James was the first African American Dental Officer to retire from the Navy (1966).
- Dr. John O. Brown served as President of the Board of Directors. Dr. Brown was a civil rights activist and the first African American Opthalmologist in Florida.
- Anita Small, RN, was the first Nursing Director and Julio Gonzalez the Senior Accountant.

From the beginning, education was an integral component of EOFHC.

- **1968** - EOFHC was the first Community Health Center in the US to offer residency training for Family Medicine under the direction of Dr. Lynn Carmichael.

Mt. Tabor Baptist Church, in Liberty City, served as the training site for most of EOFHC's first employees. Neighborhood residents, male and female, were trained as physician assistants, nurse's aides, social workers, laboratory and mental health assistants. Over sixty-five such individuals were trained, many of whom had never graduated from high school. Eighteen of these individuals completed further training to become practical nurses and at least six became Registered Nurses.

- *Four of the first eight Nurse Practitioners in Florida were trained at EOFHC.*
- *The first three African American Dental Hygienists in Florida were trained at EOFHC.*

In June 1968, patient services were initiated at the EOFHC's first site, an abandoned, wooden temporary Gladeview Elementary School building at NW. 62nd Street and 27th Avenue.

**George Simpson, MD**. was appointed President and CEO from 1970-1975 and again from 2003-2004.

- Dr. Simpson is the first African American general surgeon in Florida.

**1970**, EOFHC was relocated to N.W. 56th Street and 27th Avenue. The new site consisted of a slightly larger building and a large open area. Double-wide trailers were added as the patient census increased.

**1971**, EOFHC's first satellite was opened at N. W. 22nd Avenue and 72nd Street. The new satellite "James E. Scott Center" was a renovated building in Dade County's largest low-income housing project.

- *This was the first facility in the nation to be built with combined funding by the Department of Housing and Urban Development, the U. S. Public Health Service and the Department of Health, Education and Welfare.*

**1975-1979**, Dr. Thomas James President and CEO

In **1980**, Ms. Jessie Collins Trice, BSN, MPH, nurse, administrator, humanitarian, and champion for healthcare, was appointed President and CEO. Shortly, thereafter, under the leadership of Father J. Kenneth Major, and the Board of Directors, EOFHC was relocated to a 30,000 square foot two-story building that was planned and built with

Dade County funds. The building is located at 5361 NW 22nd) Avenue. In 1994 NW 22nd was dedicated as Jessie Trice Blvd (NW 103 south to 36th ST.).

- Jessie Trice, BSN, MPH was the first African American graduate from the University of Miami's School of Nursing; First, African American to serve as Director of Nursing for the Dade County Department of Public Health; the first African American to serve as Chairman of the Florida State Board of Nursing; a founder of the Miami Chapter of the National Black Nurses Association; and president of the State and National Associations of Community Health Centers.

**1982**, EOFHC earned accreditation by the Association of Ambulatory Care Inc.

By **1987**, crack cocaine had become a major community problem. Responding to this need, EOFHC opened a residential program (1992 renamed to the Jefferson Reaves Women's Residential Center) for women addicted to crack cocaine.

- *Unlike, other programs in the nation, the EOFHC program accepted pregnant women for treatment, allowed them to keep their children with them and provided child care as an added service.*

**1988/89**. EOFHC's Chief Medical Officer, Dr. Fatima Zafar was a member of a team of physicians that treated the first case of HIV in Miami-Dade County.

**1999**. EOFHC received its first JCAHO (Joint Commission Accreditation of Healthcare Organizations) accreditation for Ambulatory & Behavioral Care under the leadership of Anthony Munroe MPH, President and CEO.

**2004**. Annie Neasman, RN, MS, was appointed as 6th President and CEO since EOFHC opened its doors in 1968.

Annie Neasman is a graduate of Florida A&M University School of Nursing, former Deputy Secretary of Health and Chief Public Health Nurse of the Florida Department of Health, Tallahassee, FL. She has served as the Executive Administrator of the Miami-Dade County Health Department and also served as President of the Miami Chapter Black Nurses Association (2007).

**2006**. EOFHC was leading the State and Nation in implementing Electronic Health Records.

**2008**. In honor of Jessie Collins Trice, EOFHC's name changed to Jessie Trice Community Health Center (JTCHC).

**2011**. JTCHC became the first community health center in Florida to become certified as a Primary Care Medical Home by the Joint Commission.

2011. A new Corporate Health Complex and Dental Health Center was opened on the original site of services at 5607 NW 27th Ave, Miami, Florida 33142.

**2012**. JTCHC was recognized as by The National Committee for Quality Assurance (NCQA) as a Level 3 Primary Care Medical Home.

JTCHC has come a long way since providing medical, dental, behavioral health and social services in a double –wide trailer in 1968. The Mission of Jessie Trice Community Health Center, Inc. is to improve health equality for our diverse South Florida community by providing and increasing access to quality comprehensive primary care services.

Presently, JTCHC operates nine (9) Comprehensive Primary Care Centers, forty (40) school-based health centers, two university-based health centers and a women's residential substance abuse treatment program. JTCHC's multicultural, multi-lingual and multi-disciplinary staff serves a diverse population of 32,000 patients who make more than 120,000 visits annually. JTCHC has been at the forefront of chronic disease management and through the years participated in several national/ state research studies and collaboratives on Hypertension, Diabetes and HIV.

Many African American former healthcare providers and or CEOs at EOFHC- JTCHC paved the way for nurses, physicians and dentists both locally and nationally:

**Dr. George Simpson MD**, first African American Surgeon in Florida; the first African American general surgeon to join the staff at Mount Sinai.

**Dr. James Bridges MD**, first African American Jackson Memorial Hospital senior resident in Obstetrics and Gynecology, first African American Fellow of the American College of Obstetrics and Gynecology in Florida, and first president of the Dade County Medical Association.

**Dr. Joseph Gay DDS**, 2009 first African American President of the South Florida District Dental Association. President of the National Dental Association.

**Dr. Braynon DDS** and **Dr. George Sands DDS** were founding members of the Dade County Dental Society.

**Dr. Nelson Adams MD**, the first African-American chairman of the Department of Obstetrics and Gynecology and the first African-American Chief of Staff of North Shore Medical Center.

## OUR OBJECTIVE

Miami's demographic changes and health care needs increasingly call for a viable alternative to in-person medical consultation. Liberty City, a predominantly Black neighborhood in Miami, Florida, the largest metropolitan area in the State of Florida, also referred to as Miami-Dade County. Liberty City, once a thriving African-American community, is one of Miami's poorest and most precarious neighborhoods. Although the Liberty City area is comprised of 48,951 households (ESRI, 2009), the neighborhood that the proposed clinic will serve has a population of approximately 23,000 and a racial makeup of approximately 95% black. The area covers 5.968 square miles and is plagued by several major negative social determinants of health – racial segregation, poorer environment, and poverty.

The community is a prime example of a Miami neighborhood with a deep racial/ethnic divide from the rest of Miami which is profoundly entrenched in economic inequity. As noted by LaVeist and Pierre (2014), communities with such characteristics experience substandard access to health care and poor health outcomes, and this is definitely the case with the Liberty City area. Not surprisingly, such poor social, economic, and environmental conditions have had detrimental effects on the health and well-being of the city's population. The neighborhood has high rates of teen truancy, obesity, HIV and STDs, infant mortality, low birth weight neonates, and a plethora of acute and chronic health conditions with limited or no access to primary health care services (Professional Research Consultants, Inc., 2013).

At Jessie Trice Community Health Center, Inc., we know that providing affordable accessibility to Health and Wellness to the residents of Liberty Square will prove to be beneficial and will positively impact the community. Our solution includes providing services in the various phases. Phase one will include:

- Staff member onsite to provide screenings, basic primary care
- Free transportation to residents that are in need
- Unlimited access to our Patient Portal
- Access to surrounding JTCHC comprehensive primary care centers

Phase two will include a full service comprehensive primary care facility. Jessie Trice Community Health Center, Inc. has implemented the Primary Care Medical Home Model as its service delivery system with an emphasis on patient-centeredness and care-coordination. Beginning with empanelment (patients choose and are assigned a personal provider), various disciplines and levels of providers such as physicians, nurses, advanced registered nurse practitioners, dentists, registered dental hygenists, nutritionists, medical assistants as well as licensed mental health & substance abuse counselors are all part of our patient's Care Team. These individuals provide required, preventative, enabling and other health services as appropriate.

JTCHC utilizes electronic heath records (Intergy) that supports evidence-based practices and the management of patient populations such as diabetes, hypertension, high-risk, etc. Patients also have access to their Care Teams and their personal medical information 24 hours a day 7 days a week through our Patient Portal. Referral Specialists coordinate external referrals with other providers/facilities and track results.

Support for Patient Self-Management is provided at other locations and will be provided at this site as well. Patient Satisfaction and patient/family experience are measured by Client IQ, a computer terminal within the facility that has software that immediately alerts site managers of any responses that are unsatisfactory to allow the manager to address the patient's concerns before the patient leaves the site. Phase two will also include obsertics/gynecology, dental and other services for adults and pediatrics.

Jessie Trice Community Health Center, Inc. has and will always strive for a healthier community.

**Project Director**

**Lanetta Jordan, MD, MPH, MSPH** (30% effort).

Dr. Lanetta Jordan has dedicated her professional career to public health and how to improve health care equity and quality for individuals marginalized in our society. She has expertise is establishing quality indicators with the Joint Commission which was a major milestone for standardizing indicators for sickle cell care disease which predominately affects African-Americans s. She understands the challenges and is adept in engaging communities to translate public health and medical interventions to the community.

Dr. Jordan with work closely with the faculty of the University of Miami Department of Public Health and Clinical Translational Scientific Institute (CTSI), both are outstanding resources for Community Engagement and Cultural Diversity, ethnic media outlets and culturally and linguistically appropriate instruments. Our team has considerable expertise in creating community participatory processes that promote empowerment and the kind of social bonds across the community that encourages residents to own their neighborhood and therefore to fight to establish in the neighborhood the conditions of collaboration, eradication of violence, crime and drugs, and collaboration around child rearing and elder care that "make a village"..

Dr. Jordan will report to **José Szapocznik, Ph.D., Professor & Chair** of the Department of Public Health Sciences. He is also Professor of Architecture, Psychology, and Counseling Psychology & Educational Research, and Director, of the Miami Clinical & Translational Science Institute at the University of Miami Miller School of Medicine. Dr. Szapocznik's expertise is in building communities, strengthening families, and creating built environments that promote social, emotional and physical health and wellbeing. Dr. Szapocznik will donate his time to the project.

**Position description**: The Project Director provides guidance and recommendation to the overall project; Compiles and analyzes data on economic, social, and physical factors affecting land use, and prepares or requisitions graphic and narrative reports on data; Confers with local authorities, civic leaders, social scientists, and land planning and development specialists to devise and recommend arrangements of land and physical facilities for residential and community uses; Recommends measures affecting land use, community facilities, housing and transportation to control and guide community development. Finally, she is responsible for coordinating activities that lead to building "the village", which includes the building of democratic self-governance, collaboration with outside entities, creating the collaborative conditions for residents to own the neighborhood and collaborate in the caring of children, the elderly and others in need.

**Responsibilities include the following:**

1) Strengthen public participation in order to make the urban planning process more inclusive;
2) Work with a multi-disciplinary team to provide input into the redesign of Liberty Square;
3) Assist with organizing public meetings to generate comment and input regarding plans and projects; and to create participatory ownership;
4) Utilize a "participatory action research" model in which low-income and excluded communities are central to the design and development of the community, research and policy. Our work is guided by the priorities and needs of the partners with which we work;

5) Provide strategic support to all stakeholders and grassroots community organizations to build the power of their organizing and advocacy work;
6) Work with partners to design, administer, analyze and write participatory action research reports. These reports are used by our partners to educate community members, engage elected officials, garner media attention and advocate for socially just policies;
7) With community organizations, research and develop ground-up policy solutions to problems they identify and document;
8) Assist and support the community in designing and conducting their own research.
9) Conduct trainings on a variety of research topics to build the capacity of the community;
10) Conduct background research and develop fact sheets to provide strategic data;
11) Development of research tools (surveys, focus group guides, interviews,etc.);
12) Analysis of quantitative and qualitative data;
13) Development of databases and data entry;
14) Support of community-based organizations (community partners) in collection of data;
15) Research and policy training and education for community partner groups;
16) Conducting background research and policy analysis related to partner's campaigns;
17) Coordination and communication with community groups to carry out participatory research projects;
18) Support for advocacy efforts of partner groups;
19) Support in developing and implementing strategic communications related to research and policy work;
20) Writing of policy-related documents and research reports;
21) Writing of public education materials to support the efforts of community partners.

OneUnited
BANK

July 8, 2015

Mr. Alberto Milo, Jr.
Principal / Senior Vice President
Related Urban
444 Brickell Avenue, Suite 301
Miami, Fl. 33131

Dear Mr. Milo,

OneUnited Bank is pleased to provide this letter of support to Related Urban for the Redevelopment of Liberty Square and Lincoln Gardens "Liberty Square Rising" Request for Qualification No 2015-01.

OneUnited Bank is the largest Black owned bank in the country with a branch in Liberty City at 3275 NW 79th Street. We are a Community Development Financial Institution, designated by the U.S. Department of Treasury, to serve low-to-moderate income communities. Unlike most banks, the majority of our lending and our branches are in low-to-moderate income communities. Our mission is to provide affordable financial services to all and to treat customers with respect, regardless of their account balance. We truly believe that we can make a difference by promoting financial literacy, especially to our youth.

We will be pleased to partner with Related Urban because you understand this project is about more than housing development. As an example, we believe through a combination of financial literacy training (first time homebuyers, credit and budgeting) and down payment assistance programs OneUnited Bank can prepare a number of current residents to become future homeowners. This transformation needs to begin now. We are pleased that Related Urban understands the importance of this goal.

Currently OneUnited Bank partners with the Miami Children's Initiative (MCI) to provide financial literacy training and savings accounts to youth. We also partner with Addonis Parker and Forever Art Studios to provide teen apprentice workshops that include financial literacy. This program, the OneUnited Mural Project, which meets close to "Unity Village" in the African Heritage Cultural Arts Center, has been a huge success. It will culminate in a 550 square foot mural that will be placed on the façade of OneUnited Bank reflecting the Liberty City community. We will be honored to work with Related Urban, MCI and Forever Art Studios to develop a similar program for Unity Village. We are pleased Related Urban understands how the combination of art and financial literacy can transform communities.

OneUnited Bank will also explore the possibility of opening a branch in Unity Village and are pleased Related Urban has extended this option.

We hope Related Urban will be selected for this opportunity and look forward to continuing to serve Liberty City.

Sincerely,

Teri Williams
President & COO

June 30, 2015

Mr. Alberto Milo
Related Urban
315 S. Biscayne Blvd. 4th Floor
Miami, Florida 33131

Dear Mr. Milo,

The YMCA of South Florida is excited about the opportunity to be part of the Redevelopment of Liberty Square and Lincoln Gardens, "Liberty Square Rising" RFA No. 2015-01. This project will revitalize the Liberty City Neighborhood; change the futures of young children, families, adults and seniors who live within the community. The YMCA of South Florida is looking forward to the redevelopment as it will impact the YMCA Martin Luther King Preschool that has been part of the fabric of Liberty city since 1991.

The YMCA Martin Luther King Preschool serves nearly 100 children per day as a licensed child care center. For almost 25 years the YMCA center has opened its doors to provide a place for young parents to place their children in an environment that is nurturing, educational and above all safe. Early education sets the foundation for their future success in school, life and relationships with others. All children in the Preschool receive significant financial support. The YMCA is able to provide support with partners such as, United Way of Miami-Dade, Early Learning Coalition, USDA Child Care Food Program, Miami-Dade County, and Miami Children's Initiative and the generosity of individual donors.

A new preschool will allow the YMCA to help more children and their families to grow to be whatever they wish to become. The Center has the potential to double the capacity to educate children in a facility that will be the beacon of light for all to see and children to enjoy.

The YMCA would also like to bring a full state of the art YMCA Family Center to the "Liberty Square Rising" project that would include a wellness center for health programs, a gymnasium for basketball and volleyball, a dance studio, teen center for positive mentoring and tutorial programs, an aerobics studio for group exercise, senior activity center, community meeting rooms for gathering, community garden for educating healthy diet, and play pool to introduce children to water safety.

YMCA OF SOUTH FLORIDA

900 SE 3rd Avenue
Suite 300
Ft Lauderdale, FL 33316
P: 954 334 9622

730 NW 10th Avenue
Suite 200
Miami, FL 33172
P: 305 357 4050

ymcaofsouthflorida.org

The Center would be open seven days a week, nearly 100 hours per week. The Family Center would serve all ages starting at 6 weeks old to Adult and be the hub of the community.

On behalf of the YMCA of South Florida the Board of Directors and the leadership we are enthusiastic about the redevelopment of Liberty City. The Preschool and the Family Center will change lives and impact Miami-Dade County by educating young minds, enhancing the health of all, and connecting the residents to one another in a community that cares and respects all who live within Liberty City. It is with great pleasure that the YMCA of South Florida supports the Related Group, "Liberty Square Rising" RFA No. 2015-01 for the vision, dedication and commitment to the betterment of our community.

Sincerely,

Dennis Nowak
Board Chair
YMCA of South Florida

Sheryl Woods
President
YMCA of South Florida

HACDC
HAITIAN AMERICAN
COMMUNITY DEVELOPMENT CORPORATION

*Building Homes, Building Lives, Building Community*

July 2nd, 2015

Alberto Milo, Jr.
Principal / Senior Vice President
Related Urban
444 Brickell Avenue, Suite 301
Miami, Fl. 33131

Dear Albert:

I'm pleased to provide this letter to you for inclusion with your proposal to Miami-Dade County for redevelopment of Public Housing at Liberty Square. This is such a critical opportunity for the community as a whole and I believe it sets a new precedent for effective, strategic and sustainable community development. Little Haiti Housing Association, Inc, now doing business as the Haitian American Community Development Corporation (HACDC) has been engaged in community development since its incorporation in 1987.

Over the course of much of these past 28 years we have been fortunate to work with you and have the utmost respect for your work and projects. Starting with the work we did together in 2001 on Sunset Palm Villages to our most recent effort together at Bel House Apartments in 2013 we have worked on many projects together. By my approximation there have been over five different projects and together we have assisted over fifty low-income clients in becoming first-time home owners.

As a HUD certified Local Housing Counseling Agency (LHCA) and an approved Community Housing Development Organization (CHDO) HACDC is well qualified to continue our partnership by creating homeownership opportunities at Liberty Square.

If there is anything else we can provide for your proposal package, please do not hesitate to call, and if anyone from Miami-Dade County has questions on our past projects I can be reached at my direct number at 786.230.3779.

Sincerely,

Samuel Diller
Executive Director

*181 NE 82nd Street, Miami, Fl. 33138*
*Phone: 305.759-2542 Fax: 305.754-9200*
*www.haitianamericancdc.org*

**Florida Martin Luther King, Jr. Institute for Nonviolence**
**6700 N.W. 27th Avenue**
**Suite # 201**
**Miami, Florida 33147**
**Ph. # 305-632-8279**
**Fax: 855-283-7132**
**Email: jjones621@earthlink.net**

June 19, 2015

Mr. Alberto Milo, Jr.
Principal/Senior VP
Related Urban Group
444 Brickell Avenue - Suite #335

Ref: Proposal For Service

Dear Mr. Milo/Related Urban Group:

The Florida Martin King, Jr. Institute for Nonviolence, Incorporation (the Institute), legislated in 1993 is dedicated to Research, Education and Training in the Principles, Philosophy and Methodology of "Kingian Nonviolence".

The Institute was specifically created as a response to the significant public need for the State of Florida, to develop methods, in addition to current law enforcement response to curb the use of violence and encourage the nonviolent management of social conflict.

The idea of the Institute was orchestrated with the assistance of various government, law enforcement and private agencies operating at local, state and national levels. Miami Dade County citizens are experiencing increasing racial and cultural hostilities stemming from rapid social change and real and perceived conflicts over group and individuals interests and the may be disadvantaged by a lack of problem-solving skills for redressing these social conflicts. When utilizing the Kingian Nonviolence Principles and Steps to train law enforcement and community together results in a more permanent working relationship.

Training a substantial number of people in the use of Nonviolence Principles and Steps provides for better alternatives to violence for resolving conflict reconciliation is justice, a win/win solution rather than a win/lost situation.

The Nonviolence approach reduces both the financial and human cost in managing conflict. Nonviolent solutions not only perceive the dignity of conflicting parties but also elevate the relationship between the opponents to one of cooperation and understanding in which they jointly implement change and celebrate victory.

**Alberto Milo, Jr. /Related Group**

We will include training law enforcement, legal council from the Public Defenders Office and Ex Offenders together with Community Police.

Sincerely,

John T. Jones, Jr., Executive Director
Martin Luther King, Jr., Institute for Nonviolence.

JTJ/lc

# AGREEMENT

## COST ANALYSIS
## FLORIDA MARTIN LUTHER KING, JR. INSTITUTE FOR NONVIOLENCE

**(1) 640 Families including Local, Community, Law Enforcement Officers, Legal Counsels, Miami Dade County Public Defenders and Ex Offenders. Training will be conducted in two hour blocks and four blocks.**

**(2) Youth will be trained separately in two (2) hour blocks with Community Law Enforcement and Legal Counsel.**

**(3) The last two hour blocks, participants will be trained as a family unit.**

**Onsite Consultation Included**

| | | |
|---|---|---|
| **Participants 640 x $150** | **=** | **$96,000** |
| **Administration Fee (20%) (Includes all Training Materials Handouts and Law Enforcement Workbooks)** | | **$19,200** |
| **Total Cost.....** | | **$115,000** |

**Alberto Milo, Jr.**
**Principal/Senior VP**
**Related Urban Group**

**John T. Jones, Jr.**
**Executive Director**
**Florida Martin Luther**
**Jr. Institute for Nonviolence**

LAW OFFICES OF THE
**PUBLIC DEFENDER**
ELEVENTH JUDICIAL CIRCUIT OF FLORIDA
Bennett H. Brummer Building
1320 NW 14th Street
Miami, Florida 33125

**CARLOS J. MARTINEZ**
PUBLIC DEFENDER

305.545.1600
www.pdmiami.com

June 22, 2015

Alberto Milo, Jr.
Related Urban
444 Brickell Avenue, Suite 301
Miami, FL 33131

Re: Liberty Square Redevelopment

Dear Mr. Milo,

Thank you for taking the time out of your busy schedule to meet with me. As Miami-Dade's Public Defender, I am keenly aware of the critical need for effective community development and integration programs. My office has a long history of community partnerships and will gladly collaborate as much as we can to help make the Liberty Square Redevelopment project a success for the residents and the community.

As we discussed, we welcome the opportunity to work in the community, within our budget and with the help of volunteer attorneys and volunteer staff.

We are willing to assist by

- Establishing office hours/public defender's office outreach for attorney consultation time for public defender clients who live nearby, if we are provided space that is conducive to private, confidential communications between attorney and client
- Creating a community mentoring program where current and former public defender employees, and other attorneys would help mentor residents
- Providing community education and crime prevention training including
  - "Play it Smart" workshops to educate young people and their parents how to have positive interactions with police
  - "Consequences aren't minor" educational presentations to educate residents about the short and long term consequences of an arrest
- Holding periodic community meetings to educate regarding constitutional rights, responsibilities, and the juvenile and criminal court system

- Partnering with local bar associations to provide legal education on varied topics

I am glad you will be seeking community and resident input to plan this important project that has the potential for giving residents hope and actually providing a safe, healthy and welcoming place to live. Please let me know if there is any further assistance we can provide you.

Sincerely,

Carlos J. Martinez
Public Defender

U.S. Small Business Administration
SBA
Your Small Business Resource

**U.S. Small Business Administration**
**South Florida District Office**
*100 South Biscayne Boulevard, 7th Floor*
*Miami, Florida 33131-2011*

*305-536-5521 telephone*
*305-536-5058 facsimile*
*www.sba.gov/fl/south*

July 6, 2015

Alberto Milo, Jr.
Principal / Senior Vice President
Related Urban
444 Brickell Avenue, Suite 301
Miami, Florida 33131

Dear Mr. Milo:

As an organization, the U.S. Small Business Administration understands well the value of teamwork and knows that we are more successful when we join forces with others. As such, we are eager to work with responsible, professional, and capable organizations that support our mission to help entrepreneurs start, grow and succeed in business.

I understand Related Urban is working toward the successful redevelopment of the Liberty Square community and surrounding areas in Miami-Dade County. Should your team secure this tremendous economic development opportunity, we will gladly work with you to assist the small businesses and aspiring entrepreneurs in the area who can benefit from SBA's programs, services, expertise, and community relationships. As you know, my office annually contributes about $1B in small business financing throughout our 24-county South Florida territory, approximately 20% of it to businesses in Miami-Dade County. The redevelopment of the Liberty Square area presents a major opportunity to spur economic development with small business starts and expansion. After all, it is small businesses that are creating the jobs that strengthen our communities. SBA is invested in their success.

Should you require anything more to ensure our collaborative success, please do not hesitate to email me at Althea.Harris@sba.gov We look forward to working with you!

Very Truly,

Althea A. Harris
Assistant District Director
for Marketing & Outreach, Area 1

**SECTION 3.12. H) ATTACHMENT**

Confirmation in Writing for Training and Employment of Ex-Offenders

**Florida Martin Luther King, Jr. Institute for Nonviolence**
**6700 N.W. 27th Avenue**
**Suite # 201**
**Miami, Florida 33147**
**Ph. # 305-632-8279**
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**Alberto Milo, Jr. /Related Group**

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Martin Luther King, Jr., Institute for Nonviolence.

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**Alberto Milo, Jr.**
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**Related Urban Group**

**John T. Jones, Jr.**
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**"Teamwork Makes The Dream Work"**

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