

2014-213C

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Exhibit A to RFA 2013-003 - Affordable Housing Developments located in Broward, Miami-Dade and Palm Beach Counties

1. Demographic Commitment:

The Applicant must select one Demographic Category:

- a. Family
- b. Elderly - Indicate the type of Elderly Development:
- Elderly ALF
- Elderly non-ALF

2. Applicant Information:

- a. The Applicant must state the name of the Applicant: Pinnacle Rio, LLC
- b. The Applicant must provide the required documentation to demonstrate that the Applicant is a legally formed entity qualified to do business in the state of Florida as of the Application Deadline as Attachment 1.
- c. Is the Applicant applying as a Non-Profit organization?

- Yes
- No

If "Yes", in order to be considered to be a Non-Profit entity, the Applicant must answer the following questions and provide the required information.

(1) Provide the following information for each Non-Profit entity as Attachment 2:

- (a) Attorney opinion letter;
- (b) IRS determination letter;
- (c) The description/explanation of the role of the Non-Profit entity;
- (d) The names and addresses of the members of the governing board of the Non-Profit entity; and
- (e) The articles of incorporation demonstrating that one of the purposes of the Non-Profit entity is to foster low-income housing.

(2) Answer the following questions:

(a) Is the Applicant or one of its general partners or managing members incorporated as a Non-Profit entity pursuant to Chapter 617, Florida Statutes, or similar state statute if incorporated outside Florida?

- Yes
- No

If "No", is the Applicant or one of its general partners or managing members a wholly-owned subsidiary of a Non-Profit entity formed pursuant to Chapter 617, Florida Statutes, or similar state statute if incorporated outside Florida?

- Yes
- No

(b) Is the Applicant or one of its general partners or managing members a 501(c)(3) or 501(c)(4) Non-Profit entity or is the Applicant or one of its general partners or managing members a wholly-owned subsidiary of a 501(c)(3) or 501(c)(4) Non-Profit entity?

- Yes
- No

(c) Does the Non-Profit entity have an ownership interest, either directly or indirectly, in the general partner or general partnership interest or in the managing member or the managing member's interest in the Applicant?

- Yes
- No

If "Yes", state the percentage owned in the general partnership or managing member interest: %

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(d) Percentage of Developer's fee that will go to the Non-Profit entity: %

(e) Year Non-Profit entity was incorporated: (yyyy)

(f) Is the Non-Profit entity affiliated with or controlled by a for-profit entity within the meaning of Section 42(h), Internal Revenue Code?

 Yes No

If "Yes", state name of the for-profit entity:

d. Principals for the Applicant and for each Developer:

The Applicant must provide the required information for the Applicant and for each Developer as Attachment 3.

e. Contact Person for this Application:

First Name: DavidMiddle Initial: OLast Name: DeutchStreet Address: 9400 South Dadeland Blvd., Suite 100City: MiamiState: FLZip: 33156Telephone: (305) 854-7100Facsimile: (305) 859-9858E-Mail Address: david@pinnaclehousing.comRelationship to Applicant: V.P./Secretary/Treasurer of Managing Member**3. Developer Information:**

a. The Applicant must state the name of each Developer (including all co-Developers):

Pinnacle Housing Group, LLC

b. For each Developer entity listed in question 3.a. above (that is not a natural person), the Applicant must provide, as Attachment 4, the required documentation demonstrating that it is a legally formed entity qualified to do business in the state of Florida as of the Application Deadline.

c. General Developer Experience:

For each experienced Developer entity, the Applicant must provide, as Attachment 4, a prior experience chart for at least one (1) experienced Principal of that entity. The prior experience chart for the Principal must reflect the required information for the three (3) completed affordable rental housing developments, one (1) of which must be a Housing Credit development.

4. General Development Information:a. The Applicant must state the name of the proposed Development: Pinnacle Rio

b. Location of Development Site:

(1) The Applicant must indicate the County: Miami-Dade

(2) Address of Development Site:

The Applicant must state (i) the address number, street name, and name of city and/or (ii) the street name, closest designated intersection, and either name of city or unincorporated area of county:

On NW 14th St., northwest of the intersection of NW 14th St. and NW 14th Ave., Miami

c. Development Category / Rental Assistance (RA) Level / Concrete Construction:

(1) The Applicant must select one applicable Development Category and provide the required information as Attachment 5: New Construction

(2) If the Applicant selected the Development Category of Rehabilitation or Acquisition and Rehabilitation, the following information must be provided:

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(a) The Applicant must indicate the estimated qualified basis in Rehabilitation expenses per set aside unit within one 24-month period for the buildings(s) being rehabilitated: \$.

(b) Are any of the existing units currently occupied?

Yes

No

(c) Was the existing building(s) to be rehabilitated (i) originally built in 1994 or earlier, (ii) was either originally financed or is it currently financed through one or more of the following HUD or RD programs: sections 202, 236, 514, 515, 516, or either has PBRA or is public housing assisted through ACC, and (iii) the proposed Development did not close on funding from HUD or RD after 1994 where the budget was at least \$10,000 per unit for rehabilitation in any year?

Yes

No

(3) Does the proposed Development meet the requirements to be considered to be concrete construction?

Yes

No

d. The Applicant must select one applicable Development Type: High-Rise (a building comprised of 7 or more stories)

e. Number of Units in Proposed Development:

(1) The Applicant must state the total number of units: 106

(2) The Applicant must select the applicable item below:

(a) Proposed Development consists of 100% new construction units

(b) Proposed Development consists of 100% rehabilitation units

(c) Proposed Development consists of a combination of new construction units and rehabilitation units. State the quantity of each type:

new construction units:

rehabilitation units:

5. Proximity:

In order to be considered for any points, the Applicant must provide an acceptable Surveyor Certification form as Attachment 6. The form must reflect the Development Location Point and Services information for the Bus or Rail Transit Service (if Private Transportation is not selected at question 5.b. below) and Community Services for which the Applicant is seeking points.

a. PHA Proximity Point Boost:

Are all of the units in the proposed Development located on a site(s) with an existing Declaration of Trust between a Public Housing Authority and HUD?

Yes

No

If "Yes", in order to be eligible for the PHA Proximity Point Boost, the Applicant must provide the required letter as Attachment 6, as outlined in Section Four A.5.b.(1) of the RFA.

b. Private Transportation Transit Service:

If the Applicant selected the Elderly Demographic at question 1 above, does the Applicant commit to provide private transportation, as outlined in Section Four A.5.c.(1)(a), as its Transit Service?

Yes

No

c. Mandatory Distance Requirement:

For proximity of the proposed Development to the closest Development latitude and longitude coordinates identified on the FHFC Development Proximity List, indicate which of the following applies to this Application. The Applicant must make one selection. Applicants that are eligible to

select (1) or (2) below will be eligible for the automatic qualification for the Mandatory Distance Requirement. Applicants not eligible for the automatic qualification for the Mandatory Distance Requirement should select (3) below and follow the instructions outlined in Section Four A.5 (2) of the RFA to determine whether the Application meets the Mandatory Distance Requirement.

- (1) The Applicant selected the Rehabilitation or Acquisition and Rehabilitation Development Category at question 4.c.(1) of Exhibit A of the RFA, the proposed Development involves the Rehabilitation of an existing, occupied residential rental property in operation as of the Application Deadline and the proposed Development meets all of the following criteria: (i) the Applicant demonstrated its commitment to set aside at least 30 percent of the total units for ELI on the Total Set-Aside Breakdown Chart at question 6.b. of Exhibit A, (ii) the proposed Development is classified as RA Level 1 or RA Level 2, (iii) the Percentage of Total Units that will have Rental Assistance is greater than 75 percent, and (iv) the proposed Development consists of a total of 250 units or less, unless further restricted by the Elderly Demographic requirements outlined in Exhibit C of the RFA.
- (2) The Applicant selected the Redevelopment or Acquisition and Redevelopment Development Category at question 4.c.(1) of Exhibit A of the RFA and the proposed Development meets all of the following criteria: (i) the Applicant demonstrated its commitment to set aside at least 30 percent of the total units for ELI on the Total Set-Aside Breakdown Chart at question 6.b. of Exhibit A, (ii) the proposed Development is classified as RA Level 1 or RA Level 2, (iii) the Percentage of Total Units that will have Rental Assistance is greater than 75 percent, and (iv) the proposed Development consists of a total of 250 units or less, unless further restricted by the Elderly Demographic requirements outlined in Exhibit C of the RFA.
- (3) None of the above applies to this Application. If this item is selected by the Applicant, the following question must be answered:

Do the proposed Development and any Development(s) on the List have one or more of the same Financial Beneficiaries and meet at least one of the following criteria: (i) they are contiguous or divided by a street, and/or (ii) they are divided by a prior phase of the proposed Development?

Yes

No

If "yes", the Applicant must identify the specific Development(s) on the List that it wishes to disregard (as outlined in Section Four A.5.d. of the RFA):

Note: RA Levels are described in Section Four A.4.c.(2) of the RFA.

6. Set-Aside Commitments:

a. Minimum Set-Aside per Section 42 of the IRC:

The Applicant must select one of the following:

- 20% of units at 50% Area Median Income (AMI) or lower
- 40% of units at 60% AMI or lower
- Deep rent skewing option as defined in Section 42 of the IRC, as amended

b. Total Set-Aside Breakdown Chart:

The Applicant must reflect on the Total Set-Aside Breakdown Chart below all set-aside commitments (required set-asides and additional set-asides, including all required ELI set-asides, as well as the total set-aside percentage) by listing the percentage of residential units, stated in whole numbers, to be set aside at each selected AMI level:

The Total Set-Aside Breakdown Chart	
Percentage of Residential Units	AMI Level
%	At or Below 25%
%	At or Below 28%
%	At or Below 30%
10 %	At or Below 33%
%	At or Below 35%
%	At or Below 40%
%	At or Below 45%

%	At or Below 50%
90 %	At or Below 60%
Total Set-Aside Percentage: 100 %	

7. Site Control:

The Applicant must demonstrate site control by providing the following documentation as Attachment 7, as outlined at Section Four A.7. of the RFA:

- a. A fully executed eligible contract for purchase and sale for the subject property; and/or
- b. A recorded deed or recorded certificate of title; and/or
- c. A copy of the fully executed long-term lease.

8. Local Government Contributions:

If the Applicant selected the Development Category of New Construction, Redevelopment, or Acquisition and Redevelopment at question 4.c. above, (i.e., the Application is not eligible for automatic 5 points), has a Local Government committed to provide a contribution to the proposed Development?

- Yes
- No

If "Yes", in order to be considered for points for this section of the RFA, the Applicant must provide the following Local Government Verification of Contribution form(s) as Attachment 8, as applicable:

- a. Local Government Verification of Contribution – Grant Form;
- b. Local Government Verification of Contribution – Fee Waiver Form;
- c. Local Government Verification of Contribution – Loan Form; and/or
- d. Local Government Verification of Contribution – Fee Deferral Form.

Findings:

a. State the Applicant's Housing Credit Request Amount (annual amount): \$ 2561000

(1) Difficult Development Area (DDA) and Qualified Census Tract (QCT):

(a) Is the proposed Development located in a DDA, as defined in Section 42(d)(5)(B)(iii), IRC, as amended?

- Yes
- No

If "Yes", indicate which DDA: Miami-Miami Beach-Kendall, FL HMFA

(b) If the proposed Development is not located in a DDA (as indicated by the Applicant in question (a) above), is it located in a QCT as defined in Section 42(d)(5)(B)(ii) of the IRC, as amended?

- Yes
- No

If "Yes", indicate the QCT Number: and provide a copy of a letter from the local planning office or census bureau which verifies that the proposed Development is located in the referenced QCT as Attachment 9.

(2) Multi-Phase Development:

If the answer to question (1)(a) and/or (1)(b) above is "Yes", indicate which of the following applies (question (2)(a), (2)(b) or (2)(d) below)

If the answer to both questions (1)(a) and (1)(b) above is "No", indicate which of the following applies (question (2)(c) or (2)(d) below):

(a) The proposed Development is located in a HUD-designated DDA and/or QCT and is a phase of a multiphase Development, as defined in Section Four A.9.a.(1) of the RFA, where no phase was funded in the 2011 Universal Application Cycle.

or

(b) The proposed Development is located in a HUD-designated DDA and/or QCT and is an additional phase of a multi-phase Development where a phase was funded in the 2011 Universal Application Cycle. Provide the required information regarding the previously funded phase(s) as Attachment 9.

or

(c) The proposed Development is not located in a HUD-designated DDA or QCT, but it is an additional phase of a multi-phase Development where a phase was funded in the 2011 Universal Application Cycle. Provide the required information regarding the previously funded phase(s) as Attachment 9.

or

(d) Neither (a), (b), nor (c) above applies to the proposed Development.

b. Other Funding:

(1) If a PLP loan has been awarded for this Development, provide the following information:

Corporation File #	Amount of Funding
	\$

(2) If any other Corporation funds will be incorporated as a source of financing for the proposed Development, provide the information in the chart below:

Corporation Program	Corporation File No.	Amount of Funding
SAIL		\$
HOME - Rental		\$
MMRB		\$
EHCL		\$

(3) If the proposed Development will be assisted with funding under the United States Department of Agriculture RD 514/516 Program, RD 515 Program, and/or the RD 538 Program, indicate the applicable program(s) below and provide the required documentation as Attachment 10 to Exhibit A.

- RD 514/516
- RD 515
- RD 538

c. Finance Documents:

The Applicant must complete the Development Cost Pro-Forma, the Detail/Explanation Sheet, if applicable, the Construction or Rehab Analysis, and the Permanent Analysis.

d. Non-Corporation Funding Proposals:

The Applicant must attach all funding proposals executed by the lender(s) or other source(s). Insert the documentation for each source as a separate attachment to Exhibit A beginning with Attachment 11 and continuing with sequentially numbered attachments for each additional funding source.

e. Per Unit Construction Funding Preference:

Does the proposed Development qualify for the Per Unit Construction Funding Preference, as outlined at Section Four A.9.e. of the RFA?

- Yes
- No

10. Applicant Certification and Acknowledgement:

- a. The Applicant certifies that the proposed Development can be completed and operating within the development schedule and budget submitted to the Corporation.
- b. The Applicant acknowledges and certifies that the following information will be provided by the due date outlined below, or as otherwise outlined in the invitation to enter credit underwriting. Failure to provide the required information by the stated deadline shall result in the withdrawal of the invitation to enter credit underwriting.

(1) Within 7 Calendar Days of the date of the invitation to enter credit underwriting:

- (a) Identity of the remaining members of the Development Team (i.e., inexperienced co-Developer(s), Management Company, General Contractor, Architect, Attorney, Accountant and, if applicable, Service Provider), as outlined in Item 12 of Exhibit C of the RFA. The team members so identified, and any future replacement thereof, must be acceptable to the Corporation and the Credit Underwriter;
 - (b) Name and address of the chief elected official of the local jurisdiction where the proposed Development is located;
 - (c) The unit mix for the proposed Development (number of bedrooms per unit, number of baths per unit, and number of units per bedroom type);
 - (d) The number of buildings with dwelling units; and
 - (e) Notification of the Applicant's eligibility for acquisition credits per Section 42 of the IRC, if applicable.
- (2) Within 21 Calendar Days of the date of the invitation to enter credit underwriting:
- (a) Certification of the status of site plan approval as of Application Deadline and certification that as of Application Deadline the site is appropriately zoned for the proposed Development, as outlined in Item 13 of Exhibit C of the RFA;
 - (b) Certification confirming the availability of the following for the entire Development site, including confirmation that these items were in place as of the Application Deadline: electricity, water, sewer service, and roads for the proposed Development, as outlined in Item 13 of Exhibit C of the RFA;
 - (c) Certification from a licensed environmental provider confirming that a Phase I environmental site assessment has been performed for the entire Development site, and, if applicable, a Phase II environmental site assessment has been performed, as outlined in Item 13 of Exhibit C of the RFA;
 - (d) Selection of any construction features and amenities, as required in Item 4 of Exhibit C of the RFA;
 - (e) Selection of resident programs, as required in Item 5 of Exhibit C of the RFA;
 - (f) Confirmation that the proposed equity amount to be paid prior to or simultaneous with the closing of construction financing is at least 15 percent of the total proposed equity to be provided (the 15 percent criteria), subject to the following:
 - (i) If syndicating/selling the Housing Credits, there are two exceptions to the preceding sentence. First, if there is a bridge loan proposal within the equity proposal that provides for bridge loan proceeds that equal at least 15 percent of the amount of total proposed equity to be provided to be made available prior to or simultaneous with closing of construction financing, the 15 percent criteria will be met. Second, if there is a separate bridge loan proposal from either the equity provider, any entity that is controlled directly or indirectly by the equity provider, or a subsidiary of the equity provider's parent holding company, and the proposal explicitly proposes an amount to be made available prior to or simultaneous with the closing of construction financing that equals at least 15 percent of the total proposed equity to be paid stated in the equity proposal, the 15 percent criteria is met. Bridge loan proposals that are not within the equity proposal, though, must meet the criteria previously stated for debt financing with the exception that evidence of ability to fund does not have to be provided. The Applicant may include the proposed amount of the bridge loan as equity proceeds on the Construction or Rehabilitation Analysis and on the Permanent Analysis (Note: this 15 percent criteria must be reflected in the limited partnership agreement or limited liability company operating agreement); or
 - (ii) If not syndicating/selling the Housing Credits, proceeds from a bridge loan will not count toward meeting the 15 percent criteria;
 - (g) For any Applicant that applied as a Non-Profit but was not considered to be a Non-Profit for purposes of the Non-Profit funding goal, the Applicant may submit any required materials to document its Non-Profit status in order to be eligible to qualify for the Non-Profit Administrative fee outlined in Item 11 of Exhibit C of the RFA;
 - (h) Confirmation that all features and amenities committed to and proposed by the Applicant shall be located on the Development site;
 - (i) Confirmation that, if the proposed Development meets the definition of Scattered Sites, all Scattered Sites requirements that were not required to be met in the Application will be met, including that all features and amenities committed to and proposed by the Applicant that are not unit-specific shall be located on each of the Scattered Sites, or no more than 1/16 mile from the Scattered Site with the most units, or a combination of both; and
 - (j) Notification of the percentage of ownership of the Principals of the Applicant.

c. By submitting the Application, the Applicant acknowledges and certifies that:

- (1) The proposed Development will meet all state building codes, including the 2012 Florida Accessibility Code for Building Construction, adopted pursuant to Section 553.503, F.S., the Fair Housing Act as implemented by 24 CFR Part 100, Section 504 of the Rehabilitation Act of 1973 pursuant to Rule Chapter 67-48, F.A.C., and the Americans with Disabilities Act of 1990 as implemented by 28 CFR Part 35, incorporating the most recent amendments, regulations and rules;

- (2) If the Elderly (ALF or non-ALF) Demographic Commitment is selected, the proposed Development must meet all of the requirements for the applicable demographic commitment as outlined in Items 1, 4, and 5 of Exhibit C of the RFA;
- (3) The name of the Applicant entity stated in the Application may be changed only by written request of an Applicant to Corporation staff and approval of the Board after the Carryover Allocation Agreement is in effect. In addition, the Applicant entity shall be the recipient of the Housing Credits and may not change until after the Carryover Allocation Agreement is in effect, as further outlined in Item 2 of Exhibit C of the RFA;
- (4) If the Applicant applies as a Non-Profit entity it must remain a Non-Profit entity and the Non-Profit entity must (i) receive at least 25 percent of the Developer's fee; and (ii) understand that it is the Non-Profit entity's responsibility to contractually ensure that it substantially and materially participates in the management and operation of the Development throughout the Compliance Period;
- (5) The success of an Applicant in being selected for funding is not an indication that the Applicant will receive a positive recommendation from the Credit Underwriter or that the Development Team's experience, past performance or financial capacity is satisfactory. The past performance record, financial capacity, and any and all other matters relating to the Development Team, which consists of Developer, Management Company, General Contractor, Architect, Attorney, Accountant, and Service Provider (if the proposed Development is an Elderly Assisted Living Facility), will be reviewed during credit underwriting. The Credit Underwriter may require additional information from any member of the Development Team including, without limitation, documentation on other past projects and financials. Development Teams with an unsatisfactory past performance record, inadequate financial capacity or any other unsatisfactory matters relating to their suitability may result in a negative recommendation from the Credit Underwriter;
- (6) The Principals of each Developer identified in the Application, including all co-Developers, may be changed only by written request of an Applicant to Corporation staff and approval of the Board after the Applicant has been invited to enter credit underwriting. In addition, any allowable replacement of an experienced Principal of a Developer entity must meet the experience requirements that were met by the original Principal;
- (7) During credit underwriting, all funded Applications will be held to the number of RA units stated in the applicable letter provided by the Applicant as Attachment 5 to Exhibit A. This requirement will apply throughout the entire Compliance Period, subject to Congressional appropriation and continuation of the rental assistance program;
- (8) The total number of units stated in the Application may be increased after the Applicant has been invited to enter credit underwriting, subject to written request of an Applicant to Corporation staff and approval of the Corporation;
- (9) The invitation to enter credit underwriting will be rescinded if it is determined that the proposed Development was placed in service prior to the year in which it received its allocation;
- (10) The proposed Development will include all required construction features and amenities applicable to the Demographic selected, as outlined in Item 4 of Exhibit C of the RFA. The quality of the features and amenities committed to by the Applicant is subject to approval of the Board of Directors;
- (11) The proposed Development will include all required resident programs applicable to the Demographic selected, as outlined in Item 5 of Exhibit C of the RFA. The quality of the resident programs committed to by the Applicant is subject to approval of the Board of Directors;
- (12) The proposed Development will include the required set-aside units (for ELI Households and Total Set-Aside Percentage). The Total Set-Aside Percentage stated in the Application may be increased after the Applicant has been invited to enter credit underwriting, subject to written request of an Applicant to Corporation staff and approval of the Corporation. Commitments to set aside residential units made by those Applicants that receive funding will become the minimum set-aside requirements for any other Corporation funds that the Applicant may receive in the future for the same Development;
- (13) The Applicant irrevocably commits to set aside units in the proposed Development for a total of 50 years. Note: in submitting its Application, the Applicant knowingly, voluntarily and irrevocably commits to waive, and does hereby waive, for the duration of the 50-year set aside period the option to convert to market, including any option or right to submit a request for a qualified contract, after year fourteen (14), and any other option, right or process available to the Applicant to terminate (or that would result in the termination of) the 50-year set aside period at any time prior to the expiration of its full term;
- (14) The Applicant's commitments will be included in the Extended Use Agreement and must be maintained in order for the Development to remain in compliance, unless the Board approves a change;
- (15) The applicable fees outlined in Item 11 of Exhibit C of the RFA will be due as outlined in this RFA, Rule Chapter 67-48, F.A.C., and/or as otherwise prescribed by the Corporation and/or the Credit Underwriter; and

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(16) The Applicant agrees and acknowledges that the Application will be subject to the Total Development Cost Per Unit Limitation during the scoring, credit underwriting, and final allocation process, as outlined in Item 8 of Exhibit C of the RFA.

- d. The Applicant acknowledges that any funding preliminarily secured by the Applicant is expressly conditioned upon any independent review, analysis and verification of all information contained in this Application that may be conducted by the Corporation, the successful completion of credit underwriting, and all necessary approvals by the Board of Directors, Corporation or other legal counsel, the Credit Underwriter, and Corporation Staff.
- e. If preliminary funding is approved, the Applicant will promptly furnish such other supporting information, documents, and fees as may be requested or required. The Applicant understands and agrees that the Corporation is not responsible for actions taken by the undersigned in reliance on a preliminary commitment by the Corporation. The Applicant commits that no qualified residents will be refused occupancy because they have Section 8 vouchers or certificates. The Applicant further commits to actively seek tenants from public housing waiting lists and tenants who are participating in and/or have successfully completed the training provided by welfare to work or self-sufficiency type programs.
- f. By Certificate of Occupancy, the Applicant commits to participate in the statewide housing locator system, as required by the Corporation.
- g. The Applicant and all Financial Beneficiaries have read all applicable Corporation rules governing this RFA and have read the instructions for completing this RFA and will abide by the applicable Florida Statutes and the credit underwriting and program provisions outlined in Rule Chapter 67-48, F.A.C. The Applicant and all Financial Beneficiaries have read, understand and will comply with Section 42 of the Internal Revenue Code, as amended, and all related federal regulations.
- h. In eliciting information from third parties required by and/or included in this Application, the Applicant has provided such parties information that accurately describes the Development as proposed in this Application. The Applicant has reviewed the third party information included in this Application and/or provided during the credit underwriting process and the information provided by any such party is based upon, and accurate with respect to, the Development as proposed in this Application.
- i. The undersigned understands and agrees that in the event that the Applicant is invited into credit underwriting, the Applicant must submit IRS Forms 8821 for all Financial Beneficiaries in order to obtain a recommendation for a Housing Credit Allocation.
- j. The undersigned is authorized to bind all Financial Beneficiaries to this certification and warranty of truthfulness and completeness of the Application.

Under the penalties of perjury, I declare and certify that I have read the foregoing and that the information is true, correct and complete.

Signature of Applicant _____

Name (typed or printed): David O. Deutch

Title (typed or printed): V.P./Secretary/Treasurer of Managing Member

Addenda

The Applicant may use the space below to provide any additional information or explanatory addendum for items in the Application. Please specify the particular Item to which the additional information or explanatory addendum applies.

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NOTES:

- (1) Developer fee may not exceed the limits established in Rule Chapter 67-48, F.A.C. Any portion of the fee that has been deferred must be included in Total Development Cost.
- (2) If Housing Credit equity is being used as a source of financing, complete Columns 1 and 2. Otherwise, only complete Column 2.
- (3) General Contractor's fee is limited to 14% of actual construction cost (A.1.1. Column 3). The General Contractor's fee must be disclosed. The General Contractor's fee includes General Conditions, Overhead, and Profit.
- (4) In reference to impact fees, a tax professional's advice should be sought regarding eligibility of these fees.
- (5) The only Contingency Reserves allowed are amounts that cannot exceed 5% for Development Category of New Construction or Redevelopment and 15% for Development Category of Rehabilitation or Preservation.
- (6) Applicants using HC equity funding should list an estimated compliance fee amount in column 2.
- (7) Although the Corporation acknowledges that the costs listed on the Development Cost Pro Forma, Detail/Explanation Sheet, Construction or Rehab Analysis and Permanent Analysis are subject to change during credit underwriting, such costs are subject to the Total Development Cost Per Unit Limitation as provided in the RFA as well as the other cost limitations provided in Rule Chapter 67-48, F.A.C., as applicable.

USE THE DETAIL/EXPLANATION SHEET FOR EXPLANATION OF * ITEMS. IF ADDITIONAL SPACE IS REQUIRED, ENTER THE INFORMATION ON THE ADDENDA LOCATED AT THE END OF THE APPLICATION.

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	1 HC ELIGIBLE (HC ONLY)	2 HC INELIGIBLE	3 Total
DEVELOPMENT COSTS			
Actual Construction Costs			
Accessory Buildings			\$0.00
Demolition			\$0.00
New Rental Units	\$15,473,832.00	\$400,000.00	\$15,873,832.00
*Off-site Work (explain in detail)			\$0.00
Recreational Amenities			\$0.00
Rehab of Existing Common Areas			\$0.00
Rehab of Existing Rental Units			\$0.00
Site Work			\$0.00
*Other (explain in detail)	\$300,000.00	\$161,650.00	\$461,650.00
A1.1. Actual Construction Cost	\$15,773,832.00	\$561,650.00	\$16,335,482.00
A1.2. General Contractor Fee (3) (Max. 14% of A1.1., column 3)	\$2,220,749.00		\$2,220,749.00
A1.3. Total Actual Construction Costs	\$17,994,581.00	\$561,650.00	\$18,556,231.00
General Development Costs			
Accounting Fees	\$76,000.00		\$76,000.00
Appraisal	\$12,500.00		\$12,500.00
Architect's Fee - Site/Building Design	\$450,000.00		\$450,000.00
Architect's Fee - Supervision	\$50,000.00		\$50,000.00
Builder's Risk Insurance	\$217,135.00		\$217,135.00
Building Permit	\$127,200.00		\$127,200.00
Brokerage Fees - Land / Buildings			\$0.00
Capital Needs Assessment			\$0.00
Engineering Fees	\$112,500.00		\$112,500.00
Environmental Report	\$45,000.00	\$45,000.00	\$90,000.00
FHFC Administrative Fee		\$204,880.00	\$204,880.00

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HFC Application Fee		\$3,000.00	\$3,000.00
FHFC Compliance Fee (6)		\$205,387.00	\$205,387.00
FHFC Credit Underwriting Fees		\$11,341.00	\$11,341.00
Green Building Certification/ HERS Inspection Costs	\$150,000.00		\$150,000.00
*Impact Fees (list in detail)	\$190,800.00		\$190,800.00
Inspection Fees	\$86,000.00		\$86,000.00
Insurance		\$127,200.00	\$127,200.00
Legal Fees	\$99,000.00	\$201,000.00	\$300,000.00
Market Study	\$7,500.00		\$7,500.00
Marketing/Advertising		\$100,000.00	\$100,000.00
Property Taxes	\$70,200.00	\$70,200.00	\$140,400.00
Soil Test Report	\$5,000.00	\$5,000.00	\$10,000.00
Survey	\$37,500.00		\$37,500.00
Title Insurance & Recording Fees	\$200,000.00		\$200,000.00
Utility Connection Fee	\$190,800.00		\$190,800.00
*Other (explain in detail)			\$0.00
A2. TOTAL GENERAL DEVELOPMENT COST	\$2,127,135.00	\$973,008.00	\$3,100,143.00
Financial Costs			
Construction Loan Origination/ Commitment Fee(s)	\$133,000.00	\$90,000.00	\$223,000.00
Construction Loan Credit Enhancement Fee(s)			\$0.00
Construction Loan Interest	\$447,723.00	\$378,842.00	\$826,565.00
Permanent Loan Origination/ Commitment Fee(s)		\$21,000.00	\$21,000.00
Permanent Loan Credit Enhancement Fee(s)			\$0.00
Permanent Loan Closing Costs			\$0.00
Bridge Loan Origination/ Commitment Fee(s)			\$0.00
Bridge Loan Interest			\$0.00

Last Updated: 11/6/2013 10:33:37 PM | Form Key: 1254

Non-Permanent Loan(s) Closing Costs			\$0.00
*Other (explain in detail)			\$0.00
A3. Total Financial Costs	\$580,723.00	\$489,842.00	\$1,070,565.00
B1. Acquisition Cost of Existing Developments (Excluding Land) Existing Buildings			\$0.00
B2. * Other (explain in detail)			\$0.00
C. Development Cost (A1.3+A2+A3+B1+B2)	\$20,702,439.00	\$2,024,500.00	\$22,726,939.00
D. Developer's Fee (1)	\$3,634,038.00		\$3,634,038.00
E. Contingency Reserves (5)	\$902,920.00	\$166,873.00	\$1,069,793.00
F. Total Land Cost		\$3,000,000.00	\$3,000,000.00
G. Total Development Cost (C+D+E+F)	\$25,239,397.00	\$5,191,373.00	\$30,430,770.00

Detail/Explanation Sheet

Totals must agree with Pro Forma. Provide description and amount for each item that has been completed on the Pro Forma.

Development Costs
Actual Construction Cost
(as listed at Item A1.1.)

Off-site work: \$300,000 for Furniture, Fixtures and Equipment \$161,650 for washer/dryer purchases

Other:
General Development Costs
(as listed at Item A2.)

Impact Fees: Miami-Dade County School Impact Fees and Administrative Impact Fees.

Other:

Financial Costs
(as listed at Item A3.)

Other:

Acquisition Cost of Existing Developments
(as listed at Item B2.)

Other:

NOTE: Neither brokerage fees nor syndication fees can be included in eligible basis. Consulting fees, if any, and any financial or other guarantees required for the financing must be paid out of the Developer fee. Consulting fees include, but are not limited to, payments for Application consultants, construction management or supervision consultants, or local government consultants.

**CONSTRUCTION or REHAB
ANALYSIS**

Amount

**Location of
Documentation**

V. Total Development Costs: \$30,430,770.00

B. Construction or Rehab Funding Sources:

1 . HC Equity Proceeds Paid Prior to Completion of Construction which is Prior to Receipt of Final Certificate of Occupancy or in the case of Rehabilitation, prior to placed-in service date as determined by the Applicant.	<u>\$19,717,728.00</u>	Attachment <u>11</u>
2 . First Mortgage Financing	<u>\$13,300,000.00</u>	Attachment <u>12</u>
3 . Second Mortgage Financing	_____	Attachment _____
4 . Third Mortgage Financing	_____	Attachment _____
5 . Grants	_____	Attachment _____
6 . HC Equity - Partner's Contribution	_____	Attachment _____
7 . HC Equity Bridge Loan	_____	Attachment _____
8 . USDA RD Financing:		
a. RD 514/516	_____	Attachment _____
b. RD 515	_____	Attachment _____
c. RD 538	_____	Attachment _____
9 . Other: Miami-Dade County Loan	<u>\$160,000.00</u>	Attachment <u>8</u>
10 . Other:	_____	Attachment _____
11 . Deferred Developer Fee	<u>3634038.00</u>	
12 . Total Sources	<u>\$36,811,766.00</u>	

C. Construction or Rehab Funding Shortfall: (\$6,380,996.00)
(A. - B.12.)

Each Exhibit must be listed behind its own Tab. DO NOT INCLUDE ALL EXHIBITS BEHIND ONE TAB.

PERMANENT ANALYSIS	Amount	Location of Documentation
A. Total Development Costs:	<u>\$30,430,770.00</u>	
B. Permanent Funding Sources:		
1 . HC Syndication/HC Equity Proceeds	<u>\$24,647,160.00</u>	Attachment <u>11</u>
.. First Mortgage Financing	<u>\$2,100,000.00</u>	Attachment <u>12</u>
3 . Second Mortgage Financing	_____	Attachment _____

4 . Third Mortgage Financing	_____	Attachment _____
5 . Grants	_____	Attachment _____
6 . HC Equity - Partner's Contribution	_____	Attachment _____
7 . USDA RD Financing:		
a. RD 514/516	_____	Attachment _____
b. RD 515	_____	Attachment _____
c. RD 538	_____	Attachment _____
8 . Other:		
Miami-Dade County Loan	_____ \$160,000.00	Attachment <u>8</u>
9 . Other:	_____	Attachment _____
10 . Deferred Developer Fee	_____ 3634038.00	
11 . Total Sources	_____ \$30,541,198.00	

C. Permanent Funding
Shortfall: _____ (\$110,428.00)
(A. - B.11.)

Each Exhibit must be listed behind its own Tab. DO NOT INCLUDE ALL EXHIBITS BEHIND ONE TAB.

Florida Housing Finance Corporation

RFA 2013-003 9% HOUSING CREDITS

Pinnacle Rio
An 106 Unit Multi-Family Community
Miami-Dade County, FL

DEVELOPER:



Submitted to:
Ken Reecy
Director of Multifamily Programs
Florida Housing Finance Corporation
227 North Bronough Street, Suite 5000
Tallahassee, FL 32301-1329

November 12, 2013
COPY

Attachment

1

State of Florida



Department of State

I certify from the records of this office that PINNACLE RIO, LLC, is a limited liability company organized under the laws of the State of Florida, filed on September 30, 2013.

The document number of this company is L13000137746.

I further certify that said company has paid all fees due this office through December 31, 2013, and its status is active.

Authentication Code: 313A00022945-100113-L13000137746-1/1

Given under my hand and the
Great Seal of the State of Florida,
at Tallahassee, the Capital, this the
First day of October, 2013



Ken Detzner

Ken Detzner
Secretary of State

Attachment

2

N/A

Attachment

3

Approved
FHFC Advance Review
10/8/13

OFFICERS, MANAGERS AND MEMBERS OF THE
APPLICANT AND DEVELOPER ENTITIES

		<u>Ownership %</u>
Applicant:	Pinnacle Rio, LLC*	
Managing Member:	PHG - Rio, LLC*	0.01%
<u>Officers/Members*:</u>		
Louis Wolfson III	Chairman	
Michael D. Wohl	President	
David O. Deutch	Vice President/Secretary/Treasurer	
Mitchell M. Friedman	Vice President	
PHG GP Holdings, LLC	Sole Member	
Initial Retiring Non-Managing Member: Michael D. Wohl		<u>99.99%</u>
	Total:	100.00%

Developer:	Pinnacle Housing Group, LLC (PHG)*
<u>Officers/Members*:</u>	
Louis Wolfson III	Chairman/Member
Michael D. Wohl	President/Member
David O. Deutch	Vice President/Secretary/Treasurer/Member
Mitchell M. Friedman	Vice President/Member

* Member managed. No Managers.

Attachment

4

State of Florida

Department of State

I certify from the records of this office that PINNACLE HOUSING GROUP, LLC, is a limited liability company organized under the laws of the State of Florida, filed on October 17, 2001.

The document number of this company is L01000017798.

I further certify that said company has paid all fees due this office through December 31, 2013, that its most recent annual report was filed on February 18, 2013, and its status is active.

*Given under my hand and the
Great Seal of the State of Florida
at Tallahassee, the Capital, this is
the Eighteenth day of February,
2013*



Ken Ditzner
Secretary of State

Authentication ID: CC5217327317

To authenticate this certificate, visit the following site, enter this ID, and then follow the instructions displayed.

<https://efile.sunbiz.org/certauthver.html>

Prior General Development Experience Chart

Name of Developer or Principal of Developer: David O. Deutch				
Name of Developer Entity (for the proposed development) for which the above party is a Principal: Pinnacle Housing Group, LLC				
Name of Development	Location (City & State)	Affordable Housing Program that Provided Financing	Total Number of Units	Year Completed
Los Suenos	Miami, FL	9% Tax Credits	179	2007
Pinnacle Place	Miami, FL	9% Tax Credits	137	2009
Pinnacle Plaza	Miami, FL	9% Tax Credits	132	2009
Pinnacle Park	Miami, FL	9% Tax Credits	135	2008

Attachment

5

N/A

Attachment

6

2013 SURVEY OR CERTIFICATION FORM

Name of Development: Pinnacle Rio

Development Location: On NW 14th Street, northwest of the intersection of NW 14th Street and NW 14th Avenue, Miami
 (At a minimum, provide the address number, street name and city, and/or provide the street name, closest designated intersection and either the city (if located within a city) or county (if located in the unincorporated area of the county). If the Development consists of Scattered Sites, the Development Location stated above must reflect the Scattered Site¹ where the Development Location Point is located.)

The undersigned Florida licensed surveyor confirms that the method used to determine the following latitude and longitude coordinates conforms to Rule 5J-17, F.A.C., formerly 61G17-6, F.A.C.:

**All calculations shall be based on "WGS 84" and be grid distances. The horizontal positions shall be collected to meet sub-meter accuracy (no autonomous hand-held GPS units shall be used).*

State the Development Location Point. ²	N <u>25</u> Degrees	<u>47</u> Minutes	<u>16.3</u> Seconds (truncated after 1 decimal place)	W <u>80</u> Degrees	<u>13</u> Minutes	<u>10.4</u> Seconds (truncated after 1 decimal place)
--	------------------------	----------------------	--	------------------------	----------------------	--

To be eligible for proximity points, Degrees and Minutes must be stated as whole numbers and Seconds must be truncated after 1 decimal place.

Transit Service - State the latitude and longitude coordinates for one (1) Transit Service on the chart below.³

	Latitude			Longitude		
Public Bus Stop	N _____ Degrees	_____ Minutes	_____ Seconds (truncated after 1 decimal place)	W _____ Degrees	_____ Minutes	_____ Seconds (truncated after 1 decimal place)
Public Bus Transfer Stop	N _____ Degrees	_____ Minutes	_____ Seconds (truncated after 1 decimal place)	W _____ Degrees	_____ Minutes	_____ Seconds (truncated after 1 decimal place)
Public Bus Rapid Transit Stop	N _____ Degrees	_____ Minutes	_____ Seconds (truncated after 1 decimal place)	W _____ Degrees	_____ Minutes	_____ Seconds (truncated after 1 decimal place)
SunRail Station, MetroRail Station, or TriRail Station	N <u>25</u> Degrees	<u>47</u> Minutes	<u>23.8</u> Seconds (truncated after 1 decimal place)	W <u>80</u> Degrees	<u>12</u> Minutes	<u>53.8</u> Seconds (truncated after 1 decimal place)
Using the method described above*, the distance (rounded up to the nearest hundredth of a mile) between the coordinates of the Development Location Point and the coordinates of the Transit Service is:						<u>0 3 2</u> Miles

Community Services - State the Name, Address and latitude and longitude coordinates of the closest service(s) on the chart below.³

Grocery Store:	Latitude			Longitude		
Name - <u>Winn Dixie</u> Address - <u>1155 NW 11th St.</u> <u>Miami, FL 33136</u>	N <u>25</u> Degrees	<u>47</u> Minutes	<u>5.2</u> Seconds (truncated after 1 decimal place)	W <u>80</u> Degrees	<u>12</u> Minutes	<u>46.8</u> Seconds (truncated after 1 decimal place)
Using the method described above*, the distance (rounded up to the nearest hundredth of a mile) between the coordinates of the Development Location Point and the coordinates of the Grocery Store is:						<u>0 4 6</u> Miles

Initials of Surveyor JM. JM. JM.

2013 SURVEYOR CERTIFICATION FORM

Public School:	Latitude			Longitude		
Name - <u>Booker T. Washington Sr.</u> Address - <u>High School</u> <u>1200 NW 6th Ave.</u> <u>Miami, FL 33136</u>	N <u>25</u> Degrees	<u>47</u> Minutes	<u>10.3</u> Seconds (truncated after 1 decimal place)	W <u>80</u> Degrees	<u>12</u> Minutes	<u>15.8</u> Seconds (truncated after 1 decimal place)
Using the method described above*, the distance (rounded up to the nearest hundredth of a mile) between the coordinates of the Development Location Point and the coordinates of the Public School is:					<u>0 9 5</u> Miles	
Medical Facility:	Latitude			Longitude		
Name - <u>Jackson Memorial Hospital</u> Address - <u>1611 NW 12th Ave</u> <u>Miami, FL 33136</u>	N <u>25</u> Degrees	<u>47</u> Minutes	<u>30.2</u> Seconds (truncated after 1 decimal place)	W <u>80</u> Degrees	<u>12</u> Minutes	<u>42.5</u> Seconds (truncated after 1 decimal place)
Using the method described above*, the distance (rounded up to the nearest hundredth of a mile) between the coordinates of the Development Location Point and the coordinates of the Medical Facility is:					<u>0 5 5</u> Miles	
Senior Center:	Latitude			Longitude		
Name - _____ Address - _____	N _____ Degrees	_____ Minutes	_____ Seconds (truncated after 1 decimal place)	W _____ Degrees	_____ Minutes	_____ Seconds (truncated after 1 decimal place)
Using the method described above*, the distance (rounded up to the nearest hundredth of a mile) between the coordinates of the Development Location Point and the coordinates of the Senior Center is:					_____ Miles	
Pharmacy:	Latitude			Longitude		
Name - <u>Winn Dixie</u> Address - <u>1155 NW 11th St.</u> <u>Miami, FL 33136</u>	N <u>25</u> Degrees	<u>47</u> Minutes	<u>5.2</u> Seconds (truncated after 1 decimal place)	W <u>80</u> Degrees	<u>12</u> Minutes	<u>46.8</u> Seconds (truncated after 1 decimal place)
Using the method described above*, the distance (rounded up to the nearest hundredth of a mile) between the coordinates of the Development Location Point and the coordinates of the Pharmacy is:					<u>4 6</u> Miles	

If the Corporation discovers that there are any false statements made in this certification, the Corporation will forward a copy to the State of Florida Department of Business and Professional Regulation for investigation.

CERTIFICATION - Under penalties of perjury, I declare that the foregoing statement is true and correct.

Michael M. Mossey
Signature of Florida Licensed Surveyor

PSM 5660
Florida License Number of Signatory

MICHAEL M. MOSSEY
Print or Type Name of Signatory

Please note: This form may be modified by Florida Housing Finance Corporation per Section 67-60.005, F.A.C.

2013 SURVEY OR CERTIFICATION FORM

This certification consists of 3 pages. This certification may not be signed by the Applicant, by any related parties of the Applicant, or by any Principals or Financial Beneficiaries of the Applicant. If the certification is inappropriately signed, the Application will not be eligible to receive proximity points. If this certification contains corrections or 'white-out', or if it is altered or retyped, the form will not be considered. The certification may be photocopied. To be considered for scoring purposes, at least pages 1 and 2 of this 3 page certification form must be provided by the Applicant.

¹"Scattered Sites," as applied to a single Development, means a Development site that, when taken as a whole, is comprised of real property that is not contiguous (each such non-contiguous site within a Scattered Site Development, a "Scattered Site"). For purposes of this definition "contiguous" means touching at a point or along a boundary. Real property is contiguous if the only intervening real property interest is an easement provided the easement is not a roadway or street. (See Rule 67-48.002, F.A.C.).

²"Development Location Point" means a single point selected by the Applicant on the proposed Development site that is located within 100 feet of a residential building existing or to be constructed as part of the proposed Development. For a Development which consists of Scattered Sites, this means a single point on the site with the most units that is located within 100 feet of a residential building existing or to be constructed as part of the proposed Development (See Rule 67-48.002, F.A.C.).

³The latitude and longitude coordinates for all Proximity Services must represent a point as outlined on the Coordinates Location Chart set out below. The coordinates for each service must be stated in degrees, minutes and seconds, with the degrees and minutes stated as whole numbers and the seconds truncated after one decimal place. If the degrees and minutes are not stated as whole numbers and the seconds are not truncated after one decimal place, the Applicant will not be eligible for proximity points for that service.

Coordinates Location Chart																											
Service	Location where latitude and longitude coordinates must be obtained																										
Community Services	Coordinates must represent a point that is on the doorway threshold of an exterior entrance that provides direct public access to the building where the service is located.																										
Transit Services	<p>For Public Bus Stop, Public Bus Rapid Transit Stop, Public Bus Transfer Stop, TriRail Rail Stations and MetroRail Rail Stations, coordinates must represent the location where passengers may embark and disembark the bus or train.</p> <p>For SunRail Rail Stations, coordinates must represent either the location where passengers may embark and disembark the train or the coordinates listed below:</p> <table border="1"> <thead> <tr> <th>Station Name</th> <th>Latitude/Longitude Coordinates</th> </tr> </thead> <tbody> <tr> <td>Allamonte Springs Station</td> <td>N 28 39 50.1, W 81 21 23.4</td> </tr> <tr> <td>Church Street Station</td> <td>N 28 32 20.3, W 81 22 50.6</td> </tr> <tr> <td>DeBary Station</td> <td>N 28 51 20.3, W 81 19 24.1</td> </tr> <tr> <td>Florida Hospital Station</td> <td>N 28 34 21.8, W 81 22 17.4</td> </tr> <tr> <td>Lake Mary Station</td> <td>N 28 45 31.8, W 81 19 04.3</td> </tr> <tr> <td>LYNX Central Station</td> <td>N 28 32 52.2, W 81 22 51.0</td> </tr> <tr> <td>Longwood Station</td> <td>N 28 42 04.1, W 81 20 43.4</td> </tr> <tr> <td>Maitland Station</td> <td>N 28 38 03.7, W 81 21 44.7</td> </tr> <tr> <td>Orlando Amtrak/ORMC Station</td> <td>N 28 31 39.5, W 81 22 55.6</td> </tr> <tr> <td>Sand Lake Road Station</td> <td>N 28 27 11.3, W 81 22 1.0</td> </tr> <tr> <td>Sanford/SR46 Station</td> <td>N 28 48 49.8, W 81 17 56.9</td> </tr> <tr> <td>Winter Park/Park Ave Station</td> <td>N 28 35 51.5, W 81 21 6.0</td> </tr> </tbody> </table>	Station Name	Latitude/Longitude Coordinates	Allamonte Springs Station	N 28 39 50.1, W 81 21 23.4	Church Street Station	N 28 32 20.3, W 81 22 50.6	DeBary Station	N 28 51 20.3, W 81 19 24.1	Florida Hospital Station	N 28 34 21.8, W 81 22 17.4	Lake Mary Station	N 28 45 31.8, W 81 19 04.3	LYNX Central Station	N 28 32 52.2, W 81 22 51.0	Longwood Station	N 28 42 04.1, W 81 20 43.4	Maitland Station	N 28 38 03.7, W 81 21 44.7	Orlando Amtrak/ORMC Station	N 28 31 39.5, W 81 22 55.6	Sand Lake Road Station	N 28 27 11.3, W 81 22 1.0	Sanford/SR46 Station	N 28 48 49.8, W 81 17 56.9	Winter Park/Park Ave Station	N 28 35 51.5, W 81 21 6.0
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If there is no exterior public entrance to the Community Service, then a point should be used that is at the exterior entrance doorway threshold that is the closest walking distance to the doorway threshold of the interior public entrance to the service. For example, for a Pharmacy located within an enclosed shopping mall structure that does not have a direct public exterior entrance, the latitude and longitude coordinates at the doorway threshold of the exterior public entrance to the enclosed shopping mall that provide the shortest walking distance to the doorway threshold of the interior entrance to the Pharmacy would be used.

Applicants may use the same latitude and longitude coordinates for the Grocery Store, Medical Facility and/or Pharmacy if the Grocery Store, Medical Facility and/or Pharmacy is housed at the same location. However, there are no other instances in which an Applicant may use identical coordinates or the same location for any other combination of Transit or Community Services.

Attachment

7

GROUND LEASE AGREEMENT

THIS GROUND LEASE AGREEMENT (this "*Lease*") is entered into as of the 28th day of October, 2013 (the "*Effective Date*") between JCCE COMMERCIAL, LLC, a Florida limited liability company ("*Landlord*") and PINNACLE RIO, LLC, a Florida limited liability company ("*Tenant*").

RECITALS

A. Landlord desires to lease to Tenant, and Tenant desires to lease from Landlord, that certain real property located at 1420 NW 14th Terrace, 1430 NW 14th Terrace, 1451 NW 14th Street and 1410 NW 14th Avenue, all in Miami, Miami-Dade County, Florida and legally described on Exhibit "A" attached hereto and incorporated herein by this reference (the "*Leased Premises*").

B. Tenant currently intends to construct upon the Leased Premises a project (collectively, the "*Project*") consisting of approximately 110 affordable housing residential units, plus related amenities (collectively, the "*Residential Component*") and approximately 10,000 square feet of retail space (the "*Retail Space*") which Retail Space is intended to be leased to Landlord or its designee in accordance with the terms hereof.

C. Landlord and Tenant desire to enter into this Lease to evidence their agreement related to Tenant's right to lease the Leased Premises.

LEASE

NOW, THEREFORE, in consideration of the Leased Premises, the foregoing Recitals, which are incorporated herein by reference, the sum of Ten Dollars (\$10.00), and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, Landlord and Tenant do hereby covenant, represent, warrant, and agree as follows:

1. Grant of Lease. As of the "*Commencement Date*" (as hereinafter defined), Landlord leases to Tenant, and Tenant accepts and leases from Landlord, the Leased Premises, together with all easements and rights-of-way pertaining thereto. Subject to the terms and conditions of this Lease, Tenant shall have the right to lease the Leased Premises for and during the "*Term*" set forth hereafter, which shall include an obligation to enter into the Retail Space Lease (as hereinafter defined) in accordance with Section 44 of this Lease, such leases to be subject to the terms and conditions of this Lease (which would include such leases having a term of no greater than the Term). Tenant shall use the Leased Premises for the development and operation of the Project all in accordance with the terms and conditions of this Lease. Notwithstanding the foregoing, the Lease is in full force and effect as of the Effective Date.

2. Term.

(a) The term of this Lease shall begin on the Effective Date and expire on the sixty-fifth (65th) anniversary of the Commencement Date, unless this Lease is terminated earlier pursuant to the provisions contained herein (the "*Term*"). For purposes of this

Lease, the "**Commencement Date**" shall be the date of satisfaction or waiver of the Financing Contingency (as hereinafter defined). Tenant's right to take physical possession of the Leased Premises shall begin on the Commencement Date.

(b) For purposes of this Lease, the term "**Lease Year**" means the twelve (12) consecutive month period beginning on the Commencement Date and each twelve (12) consecutive month period thereafter throughout the remainder of the Term. In the event that (a) (i) Tenant does not obtain an allocation from the Florida Housing Finance Corporation ("**Florida Housing**") of federal low income housing tax credits under Section 42 of the Internal Revenue Code of 1986, as amended, in an amount sufficient, in Tenant's sole and absolute discretion, to enable Tenant to construct the Residential Component of the Project, with all time to appeal such allocation having expired and with no appeal then pending, and no appeal instituted or petition filed, (collectively, "**Housing Credits**") in the 2013 Request For Applications process (the "**2013 RFA Process**") established by Florida Housing by June 30, 2014 (such date the "**Closing Date**") or (ii) fails to close on the construction loan for development of the Project (the "**Construction Loan**") and syndication of the Housing Credits (the "**Syndication**") by the Closing Date (subclauses (a)(i) and (ii) collectively being, the "**Financing Contingency**"); or (b) Tenant fails to obtain the Approvals (as hereinafter defined) by the Closing Date (the "**Approval Contingency**", with the items in subsections (i) through (ii) being sometimes collectively herein referred to as the "**Contingencies**"), the parties agree that this Lease shall automatically, without any further action, terminate unless Tenant, prior to the Closing Date, delivers written notice to Landlord that it waives all of the Contingencies and elects to proceed with this Lease; provided, however, it is understood and agreed that, subject to Tenant's compliance with the terms and conditions of this Lease, Tenant's failure to obtain Housing Credits or close on the Construction Loan or the Syndication shall not constitute or be deemed a default by Tenant under this Lease, and Landlord's sole right with respect to same is to terminate this Lease. Notwithstanding the foregoing, Tenant, provided it is not in default under the terms and conditions of this Lease and has otherwise received the Housing Credits, shall have four consecutive options ("**Option(s)**"), exercisable upon written notice to Landlord no later than five (5) days prior to the then scheduled Closing Date and payment of an extension fee to Landlord in the amount of Ten Thousand and No/100 Dollars (\$10,000.00) (each, an "**Extension Fee**"), to extend the scheduled Closing Date to the last day of the next calendar month. Any and all Extension Fees paid to Landlord pursuant to this Section 2(b) shall be nonrefundable to Tenant except if this Lease is terminated before the Commencement Date as a result of a default by Landlord. In addition to the foregoing, if the Options are exercised, (y) the Extension Fee for each of the first two (2) Options will be credited toward the Capital Lease Payment (as hereinafter defined) and (z) the Extension Fee for each of the last two (2) Options will not be credited towards the Capital Lease Payment. Provided Tenant is not in default under the terms and conditions of this Lease, than notwithstanding anything else contained in this Lease to the contrary, in the event of a termination of this Lease for failure to satisfy the Financing Contingency or the Approval Contingency, the Escrow Deposits shall be promptly returned to Tenant.

(c) From and after the Effective Date, Tenant agrees to use diligent, commercially reasonable efforts to satisfy the Contingences (including obtaining the

Housing Credits, closing on the Construction Loan and closing on the Syndication). In connection with the foregoing, (i) Tenant shall simultaneously submit copies of all applications, documents and/or submittals to the extent submitted by Tenant to any applicable governmental and/or quasi-governmental authority in connection with the Housing Credits and (ii) Tenant shall provide to Landlord, within five (5) business days of written request, reasonable progress reports updating Landlord as to the status of satisfaction of the Contingencies.

3. Deposits. On the Effective Date, Tenant shall deposit as an earnest money deposit, the sum of Twenty-Five Thousand and No/100 Dollars (\$25,000.00) ("*Initial Deposit*") with Shutts & Bowen LLP, a Florida limited liability partnership (the "*Escrow Agent*"). Tenant shall make an additional deposit payable to Escrow Agent in the amount of Twenty-Five Thousand and No/100 Dollars (\$25,000.00) (the "*Second Deposit*") within two (2) business days following the expiration of the Due Diligence Period (as hereinafter defined). The Initial Deposit and the Second Deposit (sometimes collectively referred to herein as the "*Escrow Deposits*") shall be credited to the Capital Lease Payment (as hereinafter defined) on the Commencement Date, unless a party is under default under this Lease or is otherwise entitled under this Lease to receive the Escrow Deposits, in which case the Escrow Deposits shall be disbursed by Escrow Agent to the appropriate party in accordance with the applicable provisions of this Lease. Escrow Agent shall hold the Escrow Deposits in an interest-bearing account, and any interest earned on the Escrow Deposits shall be paid to or credited to the party entitled to receive the Escrow Deposits.

4. Capital Lease Payment. On the Commencement Date, Tenant shall pay Landlord a one-time capital lease payment (the "*Capital Lease Payment*") in an amount equal to Three Million and No/100 Dollars (\$3,000,000.00). Notwithstanding the foregoing, the Capital Lease Payment shall be subject to the Capital Lease Payment Holdback in accordance with Section 44 hereof. To the extent documentary stamp taxes are due in connection with this Lease and the Capital Lease Payment, Landlord and Tenant acknowledge and agree that Landlord shall be responsible for the applicable documentary stamp tax and surtax due in connection herewith. Notwithstanding anything contained in this Lease to the contrary, failure of Tenant to pay Landlord the Capital Lease Payment by the Commencement Date shall automatically, without any further notice or cure period, constitute an Event of Default (as hereinafter defined) by Tenant under this Lease.

5. Construction.

(a) Landlord hereby acknowledges that (i) Tenant's currently intends to develop and construct the Residential Component of the Project as described in the Recitals hereof, but in no event is Tenant guaranteeing that the Residential Component of the Project will be developed and constructed as so described, and (ii) Tenant retains the right to modify its plans for the development and construction of the Residential Component of the Project in all respects.

(b) At any time following the Commencement Date and payment of the Capital Lease Payment, Tenant shall have the right to construct the Project on the Leased Premises in accordance with the terms of this Lease.

(c) The Project shall be constructed (i) at the sole cost and expense of Tenant, except as provided in Section 44 of this Lease, (ii) in a good and workmanlike manner, with first-class materials and otherwise in accordance with the requirements of all applicable laws, ordinances, codes, orders, rules and regulations (which include, without limitation the Approvals (as hereinafter defined) (collectively, "*Applicable Laws*") of all governmental entities having jurisdiction over the Project (collectively, "*Governmental Authorities*"), and (iii) by duly qualified, insured and licensed (to the extent licensing is required) persons.

(d) Promptly following the award of Housing Credits, Tenant shall apply for and prosecute, with reasonable diligence, all necessary approvals, permits and licenses (collectively, "*Approvals*") required by any Governmental Authorities for the construction, development, zoning, use, and occupancy of the Project; provided, however, no such Approvals shall be binding upon Landlord or the Leased Premises until the Capital Lease Payment has been made. Landlord agrees to reasonably cooperate with, and publicly support, Tenant's efforts to obtain such Approvals; provided, however, that such Approvals shall be obtained at Tenant's sole cost and expense. From and after the award of Housing Credits, Tenant agrees to use diligent, commercially reasonable efforts to obtain the Approvals. In connection with the foregoing, (i) Tenant shall, promptly following submission of any applications to any of the applicable Governmental Authorities in connection with the Approvals, provide a copy of same to Landlord, (ii) Tenant shall provide to Landlord within 5 business days of written request, reasonable progress reports updating Landlord as to the status of obtaining the Approvals and (iii) in no event shall any of the Approvals be binding on the Leased Premises until delivery by Tenant to Landlord of the Capital Lease Payment.

(e) Tenant agrees to, at Tenant's sole expense, (a) cause a plaque to be prepared to acknowledge the contributions of Dr. Jerry Enis toward the development and completion of the Project and (b) cause the plaque to be continuously displayed in an area of the Project reasonably agreed to by Landlord and Tenant prior to the initial display of the plaque. Landlord and Tenant agree that the dimensions of the plaque shall be approximately 12 inches by 16 inches, and the text and artistic style/presentation of the plaque shall be reasonably satisfactory to Landlord and Tenant

(f) Landlord and Tenant acknowledge and agree that Tenant shall be the owner of all improvements constructed by or through Tenant on the Leased Premises during the Term, and as such, shall except as stated below, be entitled to retain any and all depreciation deductions, Housing Credits or other benefits for income tax purposes relating to said improvements during the Term of the Lease. Landlord will be entitled to retain sales tax refunds relating to any site work or development work which Landlord has already performed in relation to the Leased Premises. In addition to the foregoing, Landlord will be entitled to retain any and all depreciation deductions or other benefits for income tax purposes relating to any site work or development work which Landlord may otherwise perform in the future in conjunction with work which Landlord may perform on premises adjacent to the Leased Premises and/or which Landlord or Sublessee (as hereinafter defined) may perform within the Retail Space in accordance with the Retail Space Lease. With respect to the foregoing, Landlord shall be solely responsible

for filing all such applicable sales tax refunds, it being understood and agreed that Tenant shall have no obligation to file or otherwise apply for any sales tax refunds with respect to any sales tax paid by, or in connection with work performed by, Landlord.

6. Forced Delay in Performance. Notwithstanding any other provisions of this Lease to the contrary, neither Landlord nor Tenant shall be deemed to be in default under this Lease where delay in the construction or performance of its obligations under this Lease are caused by war, revolution, labor strikes, lockouts, riots, floods, earthquakes, fires, casualties, acts of God, labor disputes, governmental restrictions, embargoes, litigation (excluding litigation between Landlord and Tenant related to this Lease), tornadoes, hurricanes, severe weather, inability to obtain or secure necessary labor, materials or tools, delays of any contractor, subcontractor, or supplier, acts or failures to act by the other party, delays in obtaining Approvals caused by any Governmental Authorities, or any other causes beyond the reasonable control of Landlord or Tenant, as applicable. The time of performance hereunder shall be extended for the period of any delays caused or resulting from any of the foregoing causes. Notwithstanding anything contained herein to the contrary, in no event shall the terms and conditions of this Section 6 be applicable to the payment of monetary obligations of Landlord or Tenant under this Lease.

7. Landlord's Representations and Warranties. Landlord hereby represents, warrants and covenants to Tenant on the Effective Date and as of the Commencement Date as follows:

(a) Landlord owns fee simple and good and marketable title to the Leased Premises subject only to those matters reflected on the Title Commitment (as hereinafter defined);

(b) There are no purchase contracts, rights of first refusal, purchase options, leases, tenancies, or other rights of occupancy or use over any portion of the Leased Premises and, from and after the Effective Date, Landlord shall not enter into any such agreements for the Leased Premises without Tenant's prior written consent except in connection with the Retail Space Lease and Permitted Retail Space Sublease(s) (as such terms are hereinafter defined) and as otherwise disclosed on the Title Commitment.

(c) Landlord is a duly organized, lawfully existing limited company and is in good standing under the laws of the State of Florida;

(d) Landlord has full right, power and authority to make, execute, deliver and perform its obligations under this Lease (subject to the Approvals);

(e) Landlord's execution and delivery of this Lease has been authorized by all requisite company action on the part of Landlord, its members, as applicable, and the execution and delivery of this Lease by Landlord, and the performance of its obligations hereunder, will not violate or contravene any agreement or obligation to which Landlord is a party or, to the knowledge of Landlord, by which it or the Leased Premises is bound (subject to the Approvals);

(f) There is no pending, or to the best of Landlord knowledge, threatened condemnation or eminent domain proceedings related to the Leased Premises, and

Landlord has received no notice from any Governmental Authorities concerning any right-of-way, utility, or other taking which may affect the Leased Premises;

(g) There is no action, suit, litigation, or proceeding pending or, to best of Landlord's knowledge, threatened against Landlord (the "*Pending Litigation*");

(h) From and after the Effective Date, Landlord shall not (i) grant or otherwise create or consent to the creation of any easement, restriction, lien, assessment, or encumbrance affecting the Leased Premises or as otherwise permitted under the other terms and conditions of this Lease, (ii) pursue any re-zoning or any other land use approvals relating to the Leased Premises except in connection with the Retail Space Lease or (iii) except in connection with the Retail Space Lease and/or Permitted Retail Space Sublease(s), lease any portion of the Property, without Tenant's prior written consent, which consent may be granted or withheld in Tenant's sole and absolute discretion; provided, however, and notwithstanding the foregoing, Tenant agrees to not unreasonably withhold such consent with respect to the matters described in subsections (i) and (ii) provided such matter(s) do not adversely affect Tenant's rights under this Lease and/or operation of the Project.

(i) Omitted;

(j) The person signing this Lease on behalf of Landlord is duly and validly authorized to do so; and

(k) To best of Landlord's knowledge, no representation, statement, or warranty by Landlord contained in this Lease contains or will contain any materially untrue statement or omits a material fact necessary to make the statement of fact therein recited not misleading in any material respect.

Except as expressly set forth in this Lease, Landlord does not make any representations or warranties concerning any of the Contingencies, Approvals, the Leased Premises or any component thereof, including, without limitation, the zoning or other land use restrictions affecting the Leased Premises, the compliance of the Leased Premises or any portion thereof with any Applicable Laws, and/or the use or existence, or prior use or existence of hazardous materials on the Leased Premises, with Landlord and Tenant acknowledging and agreeing that Tenant accepts the Lease Premises and all components thereof in its "AS-IS", "WHERE-IS" condition existing as of the Effective Date.

8. Tenant's Representations and Warranties. Tenant hereby warrants and represents to Landlord on the Effective Date and as of the Commencement Date as follows:

(a) Tenant is a duly organized, lawfully existing limited liability company and is in good standing under the laws of the State of Florida;

(b) Tenant (i) has the power and authority to own its properties and assets, to conduct its business as presently conducted, and to execute, deliver and perform its obligations under this Lease and (ii) has obtained all company authorizations and

approvals which are necessary for it to execute, deliver, and perform its obligations under this Lease;

(c) There is no action, suit, litigation or proceeding pending or, to the best of Tenant's knowledge, threatened against Tenant which could prevent or impair Tenant's entry into this Lease and/or performance of its obligations hereunder;

(d) The person signing this Lease on behalf of Tenant is duly and validly authorized to do so; and

(e) To the best of Tenant's knowledge, no representation, statement or warranty by Tenant contained in this Lease contains or will contain any material untrue statement or omits a material fact necessary to make the statement of fact therein recited not misleading in any material respect.

9. Due Diligence.

(a) From the Effective Date until 5:00 p.m. Eastern Standard Time on the ninetieth (90th) day thereafter (the "*Due Diligence Period*"), Tenant may examine and inspect the Leased Premises.

(b) At all reasonable times and upon reasonable prior notice (which notice may be verbal or written) from Tenant to Landlord, Tenant and Tenant's contractors, consultants, employees and agents shall be entitled to enter upon the Leased Premises, and any portions thereof, and to conduct such tests, studies, and analyses, including, but not limited to, soil tests, environmental and hazardous material (including asbestos) tests, studies and analyses, and to take any and all other steps or actions determined by Tenant to be reasonably necessary, proper, or appropriate to determine the feasibility (economic or otherwise) of the development of the Project, subject to the terms and conditions of this Lease. Tenant agrees to indemnify and hold Landlord harmless from and against all costs, expenses (including reasonable attorneys' fees), liens, claims, causes of action, demands and liabilities for damage or injury to persons or property to the extent caused by Tenant's or its contractors', inspectors', agents', employees', tenants', subtenants' and/or licensees' (collectively, "*Tenant Parties*"); provided, however, the term Tenant's Parties shall not include or be construed or deemed to include Landlord Sublessee or any other person or party possessing or entering upon the Leased Premises under the Retail Space Lease or any sublease of the Retail Space) investigations of the Leased Premises, and Tenant shall, at its sole cost and expense, promptly cause to be repaired any physical damage to the Leased Premises caused by such activities. Notwithstanding the foregoing, Landlord acknowledges that Tenant's investigations may discover, disclose or document the presence of preexisting contamination by Hazardous or Toxic Materials (as hereinafter defined) at or in connection with the Leased Premises not caused by or through Tenant and/or Tenant Parties and that such discovery, disclosure or documentation and/or Tenant's pursuit of the Approvals may result in claims, demands and obligations for assessment, remediation, reimbursement, fines, penalties and/or other appropriate action under applicable federal, state or local law (the "*Preexisting Contamination Disclosure Implications*"). Landlord hereby expressly agrees that Tenant

shall have no liability arising out of or relating to the Preexisting Contamination Disclosure Implications and forever releases and waives any claim that Landlord may have against Tenant in connection with same. Landlord expressly consents to the disclosure by Tenant of all Preexisting Contamination Disclosure Implications and results of all environmental due diligence to all necessary third parties including, without limitation, prospective lenders, prospective investors, insurance companies, engineers, legal counsel, all governmental agencies and any other party which may be impacted by the Preexisting Contamination Disclosure Implications. The provisions of this subparagraph shall survive the expiration of the Term or earlier termination of this Lease.

(c) At any time prior to the expiration of the Due Diligence Period, Tenant may, in its sole and absolute discretion, and for any reason or for no reason whatsoever, terminate this Lease upon written notification to Landlord, whereupon, provided Tenant is not otherwise in default under the terms and conditions of this Lease, the Escrow Deposits shall be returned to Tenant all rights, duties and obligations of Tenant and Landlord under this Lease will immediately terminate, except for those which specifically survive termination.

(d) Tenant agrees that it shall not release, use, generate, store, dispose, suffer, permit, produce, introduce or maintain any Hazardous or Toxic Materials (as hereinafter defined) in or about any portion of the Leased remises, except in compliance with all Applicable Laws. If any Hazardous or Toxic Materials are released in the Leased Premises by Tenant or by any of the Tenant Parties, Tenant shall, at its sole cost, remove such Hazardous or Toxic Materials or remediate or abate the conditions giving rise thereto in accordance with Applicable Laws. Tenant covenants and agrees to indemnify, protect and hold harmless Landlord and Landlord's affiliates, subsidiaries, members, managers, officers, employees, agents, contractors and/or licensees (collectively, the "*Landlord Indemnitees*" or "*Landlord Parties*") from and against any and all damages, losses, liabilities, obligations, penalties, claims, litigation, proceedings, or expenses of any kind or of any nature whatsoever (including reasonable attorneys' and experts' fees and disbursements) which may at any time be imposed upon, incurred by or asserted or awarded against Landlord or any of the Landlord Indemnitees, arising out of or in any way connected with the presence of any Hazardous or Toxic Materials on, in, under or affecting all or any portion of the Premises, in violation of Applicable Laws, caused by the acts or omissions of Tenant or by any of the Tenant Parties, including the cost of removal of any and all such Hazardous or Toxic Materials from any portion of the Premises. Tenant's indemnification set forth in this subsection (d) shall survive the termination or expiration of this Lease.

(e) For the purposes of this Section 9, "*Hazardous or Toxic Materials*" shall mean asbestos, asbestos containing materials, mold, polychlorinated biphenyls, radioactive materials, pollutants, contaminants, petroleum products and each and every element, compound, chemical mixture, contaminant, pollutant, material, waste or other substance which is defined, regulated, determined or identified as hazardous or toxic under any federal, state or local statute, regulation or ordinance or any judicial or administrative decree or decision, whether now existing or hereinafter enacted, promulgated or issued, with respect to any hazardous or toxic materials, drinking water, groundwater, wetlands, landfills, open dumps, storage tanks, underground

storage tanks, solid waste, waste water, storm water runoff, waste emissions or wells, including successors to such statutes and regulations as may be enacted and promulgated from time to time.

10. Title Commitment and Survey.

(a) Within the Due Diligence Period, Tenant may, at its sole expense, obtain (i) a title insurance commitment (the "*Title Commitment*") for a leasehold owner's title insurance policy covering the Leased Premises (the "*Title Policy*") from a title insurance company selected by Tenant (the "*Title Company*"), and (ii) a survey of the Leased Premises (the "*Survey*").

(b) Tenant shall, no later than thirty (30) days after the Effective Date, notify Landlord in writing specifying any objections to matters shown on the Title Commitment or the Survey (the "*Title Objections*"). Any matters on the Title Commitment or the Survey that Tenant does not timely object to, and which are not items set forth in Sections 10(c)(ii)-(iii) below, shall be deemed "*Permitted Encumbrances*". Within ten (10) days after Landlord's receipt of Tenant's notice of the Title Objections, Landlord shall advise Tenant in writing that: (i) Landlord shall cause the Title Objections to be removed or remedied prior to Closing; or (ii) Landlord shall not cause the Title Objections to be removed or remedied prior to Closing. Notwithstanding the foregoing, Landlord shall be required to satisfy, cure or remedy those matters set forth in Sections 10(c)(ii)-(iii) below, even if such items are not Title Objections. If Landlord does not notify Tenant in writing of Landlord's election within the above-referenced ten (10) day period, Landlord shall be deemed to have elected not to cause all of the Title Objections to be removed or remedied prior to the Commencement Date. If Landlord does not elect to cause all of the Title Objections to be removed or remedied prior to the Commencement Date, Tenant shall have ten (10) days after the Landlord's 10 day time period for making Landlord's election regarding removal or remedying the Title Objections for Tenant to elect in writing to: (1) proceed with the Lease subject to the Title Objections which Landlord has not agreed to cure; or (2) terminate this Lease by written notice to Landlord and Escrow Agent, in which case, provided Tenant is not otherwise in default under the Lease, the Escrow Deposits and any interest accrued thereon shall be returned to Tenant, whereupon both parties shall be released from all further obligations under this Agreement, except those which specifically survive termination hereof.

(c) At or prior to the Commencement Date, Landlord shall cause to be cured or remedied (i) any and all Title Objections which Landlord has elected to cure pursuant to Section 10(b), (ii) any mortgages, judgment liens, construction liens and other liens (other than the lien of real estate taxes and assessments not yet due and payable) concerning the Leased Premises provided for by statute, code or ordinance, or created by express grant in writing by Landlord except to the extent caused by or through Tenant and/or Tenant Parties, and (iii) any and all encumbrances and/or exceptions concerning the Leased Premises created by, under or through Landlord after the Effective Date except as permitted under the lease and/or those caused by or through Tenant and/or any of the Tenant Parties.

(d) From time to time prior to the Commencement Date, Tenant, may cause the Title Commitment and/or the Survey to be updated (the "*Title Update*") and a copy of the Title Update shall be delivered to Landlord. If Tenant objects to any matters shown on the Title Update that were not shown on the Title Commitment or the Survey, such matters shall be deemed Title Objections and the provisions of subparagraphs 10(b) and 4(c) shall apply to those matters. Notwithstanding anything contained herein to the contrary, in no event shall any matter created by or through Tenant and/or Tenant's Parties constitute a matter to which Tenant may object to in accordance with this Section 10, instead such matter(s) shall be deemed a Permitted Encumbrance.

11. Landlord Access to the Leased Premises and Right of Inspection. During the Term, Landlord or Landlord Parties shall have the right, at all reasonable times upon the furnishing of reasonable notice (which notice may be verbal or written) under the circumstances (except in an emergency, when no notice shall be necessary), to enter upon the Leased Premises to examine and inspect the Project. Tenant hereby covenants to execute, acknowledge, and deliver all such further documents, and do all such other acts and things, reasonably necessary to grant to Landlord such right of entry.

12. Insurance. From and after Commencement Date, Tenant shall maintain insurance as required by this Section 12; provided, however, prior to entry upon the Leased Premises by Tenant or Tenant Parties during the Due Diligence Period, such party(ies) shall provide the general liability coverages set forth in paragraph (b) of this Section 12. All coverages required hereunder shall be provided by insurers reasonably satisfactory to Landlord; provided, however, from and after the Commencement Date, any insurer satisfactory to Tenant's Construction Loan lender (as hereinafter defined) (other than any self-insurance), shall be deemed satisfactory to Landlord.

(a) During any period which the Project is under construction, Tenant shall furnish to Landlord an "All Risk Builder's Risk Completed Value Form" for the full completed insurable value of the Leased Premises and in form satisfactory to any mortgage lien holders secured against the Leased Premises.

(b) Tenant shall also obtain and maintain a comprehensive general liability insurance policy(ies) insuring against the risk of loss resulting from accidents or occurrences on or about or in connection with, its due diligence investigations concerning the Leased Premises, the development, construction, and operation of the Project, or in connection with, or related to, this Lease in such amounts set forth on Exhibit "B" attached hereto and incorporated herein by this reference. Certified certificates evidencing such insurance coverage shall be delivered to Landlord within five (5) days of Landlord's request therefor, along with evidence that the insurance premiums have been paid current to date. All insurance policies required to be maintained by Tenant shall require the insurer to give Landlord thirty (30) days prior written notice of any change in the policies and/or the insurer's intentions to cancel such policy or policies (without a disclaimer of liability for failure to give such notice).

(c) Prior to the commencement of construction of the Project, Tenant shall furnish a certificate to Landlord from an insurance company(ies) naming Landlord and

Landlord's lender as an additional insured under insurance policy(ies) obtained by Tenant as required by this Lease and confirming that Tenant and the general contractor of the Project are covered by public liability, automobile liability, and workmen's compensation insurance policies satisfactory to Landlord.

(d) Tenant agrees to cooperate with Landlord in obtaining the benefits of any insurance or other proceeds lawfully or equitably payable to Landlord in connection with this Lease.

(e) During the period of any construction on the Lease Premises, the "All Risk Builder's Risk Completed Value Form" policy with respect to the Leased Premises shall be converted to an "all risk" or comprehensive insurance policy upon completion of the Project, naming Landlord as an additional insured thereunder and shall insure the Leased Premises in an amount not less than the full replacement value of the Leased Premises. To the extent permitted by leasehold mortgages encumbering the Leased Premises (a "*Leasehold Mortgage*"), Tenant hereby agrees that all insurance proceeds from the All Risk Builder Risk Completed Value Form policy (or if converted, the "all risk" or comprehensive policy) shall be used to restore, replace or rebuild the Project. With respect to the foregoing, Tenant agrees to use diligent, good faith efforts to cause any Leasehold Mortgage to contain an insurance disbursement provision similar, in all material respects, to that provision described on the attached Exhibit "E" (the "*Insurance Leasehold Mortgage Provision*").

(f) All such insurance policies shall contain (i) an agreement by the insurer that it will not cancel the policy without delivering prior written notice or cancellation to each named insured and loss payee thirty (30) days prior to canceling the insurance policy and (ii) endorsements that the rights of the named insured(s) to receive and collect the insurance proceeds under the policies shall not be diminished because of any additional insurance coverage carried by Tenant for its own account.

(g) If the Leased Premises is located in a federally designated flood plain, an acceptable flood insurance policy shall also be delivered by Tenant to Landlord, providing coverage in the maximum amount reasonably necessary to insure against the risk of loss from damage to the Leased Premises caused by a flood.

(h) Neither Landlord, nor Tenant, shall be liable to the other (or to any insurance company insuring the other party), for payment of losses insured by insurance policies benefiting the parties suffering such loss or damage, even though such loss or damage might have been caused by the negligence of the other party, its agents or employees.

13. Taxes. From and after the Commencement Date, Tenant shall be solely liable for the payment of all real estate taxes, special assessments, and any other taxes, levies, or impositions charged by an appropriate taxing authority with respect to the Leased Premises (collectively, "*Taxes*"), subject to Sublessee's obligation to reimburse Tenant for Sublessee's proportionate share of the Taxes pursuant to the Retail Space Lease. Tenant, within five (5)

business days of Landlord's request therefor, shall provide evidence to Landlord that all such taxes have been paid prior to delinquency.

14. Utilities. From and after the Commencement Date, Tenant shall contract in its own name for, and pay the cost of, all utilities used, provided, or supplied upon, or in connection with, the development, construction, and operation of the Project, including, but not limited to, all charges for gas, electricity, telephone and other communication services, water and sewer service charges, and all sanitation fees or charges levied or charged against the Leased Premises.

15. Assignment of Lease by Tenant. Tenant has no right, without the prior written consent from Landlord (which consent shall not be unreasonably withheld), to assign, convey, or transfer any legal or beneficial interest in Tenant's estate hereunder (a "Transfer"), except that Tenant may, without Landlord's consent, (i) assign this Lease and Tenant's interest herein, in whole or in part, to an entity whose general partner or managing member is controlled by or under common control with Tenant (the "Assignee"), subject to an express, written assumption by Assignee of all Tenant's obligations under this Lease arising from and after the effective date of such assignment, and (ii) assign, or mortgage its interest in this Lease or the Leased Premises as provided in Section 20 hereof (subsections (i) and (ii) are sometimes individually/collectively referred to as a "Permitted Transfer(s)"). Nothing contained in this Lease is intended or shall be construed as limiting in any way the unfettered right of Tenant, subject to compliance with the terms and conditions of this Lease, to sublease or grant Leasehold Mortgages with respect to Tenant's interest in all or any portion of the Project without the prior written consent of Landlord. Notwithstanding the foregoing, except in connection with (a) any Leasehold Mortgages, (b) Tenant's assignment of this Lease and Tenant's interest herein to the Assignee filing the Housing Credits application, subject to an express, written assumption by such Assignee of all Tenant's obligations under this Lease arising from and after the effective date of such assignment and (c) the admission of Tenant's investor member or limited partner at the closing of the Construction Loan and Syndication, in no event shall Tenant be permitted to make any Transfer (including a Permitted Transfer) until such time as Tenant has received a final certificate of occupancy for the Residential Component and Retail Component of the Project.

16. Assignment of Lease by Landlord. Landlord has the right to sell the Leased Premises and assign its interest in this Lease without Tenant's prior written consent; provided however, any sale of the Leased Premises shall be made expressly subject to this Lease and Landlord must provide written notice to Tenant prior to such assignment. Tenant hereby agrees to attorn to Landlord's assignee and to continue to comply with all of the obligations, covenants, and conditions of Tenant under this Lease throughout the remainder of the Term. In the event of a sale or assignment by Landlord in accordance with this Section 16, Landlord will be released from any further obligations under this Lease arising from and after the date of such assignment and notice thereof to Tenant, and Tenant agrees to look solely to such successor in interest for performance of such obligations.

17. Eminent Domain. In the event of a condemnation or taking of any portion of the Leased Premises by any Governmental Authorities having the power of eminent domain, Landlord and Tenant agree as follows:

(a) Total Taking. This Lease shall be terminated if (i) the entire Leased Premises is taken by the exercise of the power of eminent domain or (ii) in the event of a partial taking, the remaining portion of the Leased Premises is rendered unusable for Tenant's use or occupancy as the result of such partial taking, in Landlord's and Tenant's reasonable opinion. Upon termination of this Lease pursuant to the provisions of this paragraph, Tenant and Landlord shall be released from their obligations under this Lease, effective on the date title to the Leased Premises is transferred to the condemning Governmental Authority except for those which specifically survive termination.

(b) Partial Taking. This Lease shall continue in effect if, in the event of a partial taking of the Leased Premises, the remaining portion of the Leased Premises remains reasonably tenantable in Landlord's and Tenant's reasonable opinion and Tenant shall rebuild and/or restore that portion of the Leased Premises (and all improvements thereon) or any part thereof if damaged or destroyed by such taking.

(c) Award. If there is a taking, whether whole or partial, Landlord and Tenant shall be entitled to receive and retain such separate awards as may be allocated to their respective interests in any condemnation proceedings.

18. Default by Tenant. The following shall constitute an "*Event of Default*" under this Lease:

(a) except with respect to the Capital Lease Payment (which shall be governed by Section 4), failure of Tenant to timely pay any other charge or sum due hereunder, and such default continues for fifteen (15) days after written notice from Landlord; or

(b) failure of Tenant to comply with the material terms, conditions, or covenants of this Lease that Tenant is required to observe or perform and such default continues for a period of thirty (30) days after written notice from Landlord; provided, however, if the nature of the breach is such that it cannot reasonably be cured by Tenant within such 30-day period, Tenant shall not be deemed in default of this lease if Tenant commences the curing of such default within such 30-day period and thereafter diligently pursue same to completion; or

(c) this Lease or the Leased Premises or any part thereof are taken upon execution or by other process of law directed against Tenant, or are taken upon or subjected to any attachment by any creditor of Tenant or claimant against Tenant, and such attachment is not discharged or bonded off within ninety (90) days after its levy; or

(d) Tenant shall file a voluntary petition in bankruptcy or a voluntary petition seeking reorganization, or to effect a plan or an arrangement with or for the benefit of Tenant's creditors, or

(e) Tenant's shall apply for a consent to the appointment of a receiver, trustee or conservator for any portion of Tenant's property, or such appointment shall be made without Tenant's consent, and shall not be removed within ninety (90) days, or

19. Remedies.

(a) If Tenant fails to cure an Event of Default within the time provided therefor, Landlord shall have the right to terminate this Lease, at which point the Term shall be deemed to have expired, Tenant's right to possession of the Leased Premises will cease, Tenant will immediately surrender possession of the Leased Premises to Landlord in accordance with this Lease and the estate conveyed by this Lease to Tenant to revest in Landlord. Tenant will be liable for and will pay to the Landlord, within fifteen (15) days after demand therefor, all costs and expenses incurred by Landlord as a result of such Event of Default, including, without limitation, the costs of removing and storing Tenant's or other occupant's property, the costs of repairing, altering, remodeling or otherwise putting the Leased Premises into condition acceptable to a new tenant or tenants, real estate commissions actually paid, and all reasonable expenses incurred by Landlord, including attorneys' fees, as a result of such Event of Default.

(b) In addition to subsection (a), following an Event of Default, Landlord may, without any obligation so to do and without waiving or releasing any obligation of Tenant contained in this Lease, take such actions and make such payment as may be necessary or appropriate to fulfill Tenant's obligations or otherwise cure such Event of Default by Tenant hereunder. All reasonable sums so paid by Landlord and all reasonable and essential costs and expenses (including reasonable attorneys' fees) incurred by Landlord in connection with the performance of any of the obligations of Tenant hereunder, or on account of such Event of Default by Tenant shall be payable by Tenant to Landlord, but only after Landlord provides Tenant with invoices and other evidence of the amounts paid and essential expenses incurred by Landlord in connection with its reasonable exercise of its rights pursuant to this Article.

(c) The following shall constitute a "*Landlord Default*" under this Lease: failure of Landlord to comply with the material terms, conditions, or covenants of this Lease that Landlord is required to observe or perform and such default continues for a period of thirty (30) days after written notice from Tenant; provided, however, if the nature of the breach is such that it cannot reasonably be cured by Landlord within such thirty (30) day period, Landlord shall not be deemed in default of this lease if Landlord commences the curing of such default within such thirty (30) day period and thereafter diligently pursue same to completion. In the event of a Landlord Default, Tenant may, without any obligation so to do and without waiving or releasing any obligation of Landlord contained in this Lease, take such actions and make such payment as may be necessary or appropriate to fulfill Landlord's obligations or otherwise cure any Landlord Default hereunder. All reasonable sums so paid by Tenant and all reasonable and essential costs and expenses (including reasonable attorneys' fees) incurred by Tenant in connection with the performance of any of the obligations of Landlord hereunder, or on account of any Landlord Default shall be payable by Landlord to Tenant, but only after Tenant provides Landlord with invoices and other evidence of the amounts paid and essential expenses incurred by Tenant in connection with its reasonable exercise of its rights pursuant to this Article.

(d) Notwithstanding anything contained in this Lease to the contrary and in addition to any other remedies, at law or in equity, or as may be set forth in this Lease, Tenant, in the event of a Landlord Default, and Landlord, in the event of a Tenant Event of Default, shall be entitled to take any or all of the following actions, which remedies are cumulative: (i) sue Landlord or Tenant, respectively, for all actual damages, costs and expenses arising from Landlord's or Tenant's, respectively, committing a Event of Default or Landlord Default, respectively, under this Lease and to recover such actual damages, costs and expenses (including reasonable attorneys' fees at trial and all appellate levels); (ii) to restrain, by injunction, the commission of or attempt or threatened commission of a Landlord Default by Landlord or Event of Default by Tenant, respectively, and to obtain a decree specifically compelling performance of any such term or provision of this Lease, and (iii) if the Landlord Default is of a nature which makes performance of this Lease impossible, Tenant may terminate this Lease without waiving its rights under clause (i) of this Section 19(c); provided, however, the remedies under this clause (iii) shall only be available to Tenant until the Commencement Date. Notwithstanding anything contained in this Lease to the contrary, from and after the Commencement Date neither Landlord nor Tenant shall be liable for incidental, punitive, exemplary, indirect or consequential damages, or lost profits arising under or relating to this Lease.

20. Right to Encumber the Leased Premises.

(a) During the Term, and notwithstanding anything contained in the Lease to the contrary, Landlord may encumber its interest in the Leased Premises with a mortgage provided the holder of any such mortgage delivers a non-disturbance agreement to Tenant in form and substance reasonably satisfactory to Tenant, any leasehold mortgagee and/or equity investor, which shall include, without limitation, an acknowledgment from the holder of such mortgage that so long as Tenant is not in default under this Lease beyond the expiration of any applicable notice and/or cure period, such mortgagee shall not, in any foreclosure action, seek to terminate this Lease or otherwise disturb Tenant's possession of the Leased Premises in accordance with the terms and conditions of this Lease.

(b) Except as otherwise permitted hereunder, Tenant shall not encumber the Leased Premises, or its leasehold interest in the Leased Premises, without Landlord's prior written consent, which consent shall not be unreasonably withheld, conditioned or delayed. Notwithstanding any contrary provisions of this Lease, provided there is no Event of Default under this Lease, Tenant shall have the right to grant a mortgage encumbering only its leasehold interest in the Leased Premises; provided, however, that Landlord's fee estate in the Leased Premises shall not be subject to any leasehold mortgage or any related leasehold mortgage document.

(c) In addition to Tenant's obligation with respect to the Insurance Leasehold Mortgage Provision, Tenant agrees to use diligent, good faith efforts to cause any leasehold mortgage encumbering the Leased Premises to contain the following provisions: (1) The lender under a leasehold mortgage will give written notice to Landlord of Tenant's default under such leasehold mortgage, and (2) The lender under a

leasehold mortgage will, within ten (10) days after delivery of written notice from Landlord or its lender(s), execute, acknowledge and deliver to Landlord a statement in writing (i) certifying that the leasehold mortgage is unmodified (or, if modified, stating the nature of such modification), (ii) acknowledging that there are not, to such lender's knowledge, any uncured defaults on the part of Tenant under such leasehold mortgage, or specifying such defaults if any are claimed, and (iii) stating such other matters as may be reasonably prescribed or requested by Landlord.

21. Quiet Possession. Tenant, subject to the terms and conditions of this Lease, shall, and may peaceably and quietly have, hold, and enjoy the Leased Premises during the Term, provided that Tenant pays the rent and performs all the covenants and conditions of this Lease that Tenant is required to perform.

22. Compliance with Applicable Laws.

(a) During the Term, Tenant, at its sole cost and expense (but subject to the provisions of Section 44 hereof), agrees to comply with all Applicable Laws related to the construction, development, use or occupancy of all, or any part of, the Leased Premises, other than with respect to the use or occupancy of the Retail Space from and after the issuance of the Certificate of Completion (as hereinafter defined), all of which shall be Sublessee's obligation.

(b) Tenant shall, at its sole expense, obtain all necessary Approvals to operate the Project on the Leased Premises. Landlord shall reasonably cooperate with Tenant fully to help Tenant obtain all necessary Approvals required to operate the Project on the Leased Premises; provided; however, that the costs of obtaining such Approvals are paid by Tenant.

23. Mechanic's Liens.

(a) At all times during the Term, Tenant agrees to keep the Leased Premises free of mechanics liens, materialmen's liens, and other similar type of liens; and Tenant agrees to indemnify and hold Landlord harmless from and against any and all claims and expenses related thereto, including reasonable attorneys' fees, and other costs and expenses incurred by Landlord on account of any such claim or lien.

(b) Within twenty (20) business days of Landlord delivering notice to Tenant that a lien has been filed against the Leased Premises on account of labor or material furnished in connection Tenant's development of the Project, Tenant shall either (i) discharge the lien filed against the Leased Premises, or (ii) post a bond with the clerk of the court of competent jurisdiction, with instructions to apply the bond towards payment of the lien if it is upheld upon final judgment or return the bond to Tenant if the lien is discharged. Landlord may discharge the lien by paying the amount of the claim due or posting a bond with the applicable clerk of court if Tenant fails to do so within the time required under this Lease, and Tenant shall reimburse Landlord upon demand for the costs (including reasonable attorneys' fees) it incurred to pay or have the lien discharged.

Such amounts due from Tenant shall be charged as additional rent under the terms of this Lease.

(c) The parties acknowledge and agree that (i) in accordance with the provisions of Florida Statutes 713.10, no interest of Landlord in the Leased Premises or any improvements to be constructed thereon shall be subject to liens for improvements made or caused to be made by Tenant, (ii) Tenant shall notify each contractor making improvements to the Leased Premises of this provision, and (iii) that Landlord may record in the Public Records of Miami-Dade County, Florida, a so-called "Landlord's Notice" in accordance with the provisions of Florida Statutes Section 713.10.

24. Notices. Any notice required by this Lease shall be delivered to the following parties at the following addresses:

If to Landlord:

JCCE COMMERCIAL, LLC
10100 Coral Creek Road
Coral Gables, Florida 33156
Attention: Edward Enis
Fax: N/A
Phone: (305) 668-0808
Email: Fendi1953@aol.com

With a copy to:

Nason, Yeager, Gerson, White & Lioce, P.A.
1645 Palm Beach Lakes Blvd., Suite 1200
West Palm Beach, Florida 33401
Attention: Brian C. Hickey, Esq.
Fax: (561) 686-5442
Phone: (561) 686-3307
Email: bhickey@nasonyeager.com

If to Tenant:

Pinnacle Rio, LLC
9400 South Dadeland Boulevard, Suite 100
Miami, Florida 33156
Attention: David Deutch
Fax: (305) 859-9858
Phone: (305) 854-7100
Email: david@pinnaclehousing.com

With a copy to:

Shutts & Bowen LLP
201 South Biscayne Boulevard
1500 Miami Center
Miami, Florida 33131
Attention: Robert Cheng, Esq.
Fax: (305) 347-7783
Phone: (350) 415-9083
Email: rcheng@shutts.com

Any notice required or permitted to be delivered under this Lease shall be deemed to be given and effective when (a) deposited in the United States mail, postage prepaid, certified or registered mail, return receipt requested, (b) sent, if sent by a nationally recognized overnight carrier, (c) received, if delivered personally, or (d) received, if given by transmittal over electronic transmitting devices such as facsimile or Email, provided that all charges have been prepaid and the notice is addressed to the party as set forth above. The time period for a response to a notice shall be measured from date of receipt or refusal of delivery of the notice. Notices given on behalf of a party by its attorney shall be effective for and on behalf of such party. Copies of notices are for informational purposes only, and a failure to give or receive copies of any notice shall not be deemed a failure to give notice.

Each party shall have the right to specify that notice be addressed to another address by giving to the other party ten (10) days' written notice thereof.

25. Waiver. The rights and remedies of Landlord under this Lease, as well as those provided or accorded by law, shall be cumulative, and none shall be exclusive of any other rights or remedies hereunder or allowed by law. No waiver by Landlord of any violation or breach of any of the terms, provisions, and covenants of this Lease shall be deemed or construed to constitute a waiver of any other violation or breach of any of the terms, provisions, and covenants contained herein. Forbearance by Landlord to enforce one or more of the remedies provided herein upon an Event of Default shall not be deemed or construed to constitute a waiver of such Event of Default. Acceptance of any installment of rent by Landlord subsequent to the date it is due shall not alter or affect the covenant and obligation of Tenant to pay subsequent installments of rent promptly upon the due date thereof.

26. Applicable Law. This Lease shall be construed under the laws of the State of Florida and shall be binding upon and inure to the benefit of the parties hereto and other respective successors and permitted assigns.

27. Interpretation. The words "*Landlord*" and "*Tenant*" as used herein, shall include, apply to, bind and benefit, as the context permits or requires, the parties executing this Lease and, subject to Sections 15 and 16 of this Lease, their respective successors and assigns. Wherever the context permits or requires, words of any gender used in this Lease shall be construed to include any other gender, and words in the singular numbers shall be construed to include the plural.

28. Captions. The headings and captions contained in this Lease are inserted only as a matter of convenience and in no way define, limit or describe the scope of intent of this Lease, nor of any provision contained herein.

29. Care of the Leased Premises. Tenant shall take good care of the Leased Premises and prevent waste. All damage or injury to the Leased Premises shall be promptly repaired by Tenant at its expense throughout the Term and Tenant shall indemnify Landlord and Landlord Indemnitees for any liability, cost, expense (including attorneys' fees), damages, causes of actions or other claims arising as a result of such damage or injury with such indemnity to survive expiration of the Term of this Lease. Notwithstanding the foregoing sentences, Tenant shall have no obligation to repair or restore any damage to the Leased Premises resulting from acts or omissions of Landlord, or its employees, agents, independent contractors, or invitees, and Landlord hereby indemnifies Tenant for any liability costs that Tenant may incur due to such damage, with such indemnity to survive expiration of the Term of this Lease. Notwithstanding anything contained herein to the contrary, in no event shall Tenant and/or any of the Tenant Parties be deemed an employee, agent, independent contractor and/or invitee of Landlord.

30. Net Lease. This is a "*Net Lease*" and, Landlord shall have no obligation to provide any services, perform any acts, or pay any expenses, charges, obligations or costs of any kind related to the construction, development, maintenance, repair, replacement and operation of the Project on the Leased Premises. During the Term, Tenant hereby agrees to pay any and all Operating Expenses of the Leased Premises. For purposes of this Lease, the term "*Operating Expenses*" shall mean all ordinary and necessary operating expenses (including real estate taxes and assessments for the Leased Premises, property insurance for the Leased Premises (exclusive of any personal property of Landlord or any tenant located thereon), and replacement and maintenance reserves or accruals required by generally accepted accounting principles) and other reserves and accruals that are required to construct, develop, operate, maintain, repair, replace and keep the Leased Premises (including the Project) in a neat, safe and orderly condition in compliance with Applicable Laws. If Landlord elects to take possession of the Leased Premises after an Event of Default under this Lease and Landlord or its agent operates and manages the Leased Premises, any and all Operating Expenses incurred in excess of rents generated by the Leased Premises shall be paid by Tenant upon receipt of a demand by Landlord. It is specifically understood and agreed that Landlord shall have no obligation under this Lease to expend any monies with regard to the Leased Premises during the Term of this Lease or any extensions thereof.

31. Surrender of Leased Premises. Upon the expiration or earlier termination of the Term, Tenant shall surrender possession of the Leased Premises, along with fee title to all Project improvements (which shall automatically pass to and vest in Landlord without the requirement of any additional action or documentation), free and clear of all claims, liens,

financing statements, mortgages and encumbrances, to all alterations, additions, and improvements thereto, to Landlord in good condition and repair, reasonable wear and tear and damage by casualty excepted. Tenant shall remove all its personal property not required to be surrendered to Landlord from the Leased Premises before surrendering possession to Landlord, and shall repair any damage to the Leased Premises caused by the removal of Tenant's personal property. Any personal property remaining in the Leased Premises at the expiration of the Lease Term shall become property of Landlord and Landlord shall not have any liability to Tenant therefor under any circumstances. Tenant expressly waives the benefit of any Applicable Laws requiring notice from Landlord to vacate the Leased Premises at the end of the Term. Tenant acknowledges and agrees that upon the expiration of the Term any and all rights and interests it may have either at law or in equity to the Leased Premises shall immediately cease.

32. Damage by Casualty. Tenant shall rebuild and/or restore the Project or any part thereof if damaged or destroyed by casualty during the Term, subject to the holder(s) of any leasehold mortgage(s) making casualty insurance proceeds available to Tenant to complete such rebuilding and/or restoring and otherwise in compliance with the terms and conditions of any Permitted Encumbrances. With respect to the foregoing, Tenant reaffirms its obligations under Section 12(e) of this Lease with respect to the Insurance Leasehold Mortgage Provision.

33. Alterations. After construction of the Project has been completed, Tenant, subject to the terms and conditions of this Lease, shall have the right to make such changes and alterations to the Leased Premises deemed necessary or desirable by Tenant. If Landlord's approval is required for changes or alterations to the Leased Premises, its approval shall not be unreasonably withheld, conditioned or delayed.

34. Modification of Lease. This Lease may not be modified, altered, or changed in any manner other than by a written agreement executed by both Landlord and Tenant.

35. Partial Invalidity. If any part of this Lease is invalid or unenforceable under Applicable Laws, such portions shall be deemed deleted from this Lease and the remainder of this Lease shall not be affected thereby and shall remain in full force and effect.

36. Binding Obligation. This Lease has been duly and validly executed and delivered by Landlord and Tenant and constitutes a legal, valid and binding obligation of Landlord and Tenant enforceable in accordance with its terms.

37. Counterparts. This Lease may be executed in multiple counterparts, each of which shall be deemed an original, but all of which, together, shall constitute but one and the same instrument. Any signature delivered by facsimile, Email or other forms of electronic transmission, such as a PDF, shall be considered an original signature by the sending party.

38. Entire Agreement. This Lease constitutes the entire agreement and supersedes all other prior agreements and understandings, both written and oral, between Landlord and Tenant with respect to the subject matter thereof.

39. Brokers. The parties hereby represent and warrant each to the other that they have not utilized or engaged any real estate broker, salesman or finder with respect to the transaction contemplated by this Lease other than Redevelopment Group of South Florida, Inc. (

"Broker"). Landlord shall be responsible to pay all real estate commissions due to Broker in connection with the transaction contemplated by this Lease. Each party hereby agrees to indemnify and hold the other harmless from and against any liability, loss, cost or expense (including reasonable attorneys' fees and court costs, including those incurred in dispute resolution or appellate matters) resulting from a claim or demand for any commissions in connection with this Lease which the indemnified party shall suffer as a result of a breach of the representations and warranties contained in this Section 39. The provisions of this Section 39 shall survive the Commencement Date or the earlier termination of this Lease.

40. Time of the Essence. Subject to Section 6 hereof, time is of the essence of each and every provision of this lease.

41. Cooperation. Landlord and Tenant agree that they will reasonably cooperate with one another in all respects in furtherance of the development of the Leased Premises in accordance with the terms and conditions of this Lease. In particular, Landlord recognizes that the varied sources of project funding make it extremely difficult to anticipate every potential provision that may be required in this Lease. From time to time, Tenant may request reasonable modifications to this Lease to satisfy the requirements of financing sources, which financing sources include without limitation, private lenders, equity sources, and Governmental Authorities. Landlord will use reasonable efforts to accommodate the requests such financing sources and will not unreasonably withhold or delay its approval and execution of reasonable modifications to this Lease which satisfy the following conditions: (a) Such modifications do not adversely affect Tenant's or Sublessee's (as hereinafter defined) benefits, rights and interests under this Lease and/or the Retail Space Lease (as hereinafter defined), respectively; (2) Such modifications do not modify (i) any of the financial terms of this Lease or the Retail Space Lease, (ii) the Term of this Lease or the term of the Retail Space Lease and (iii) the Due Diligence Period, Closing Date, Commencement Date and/or Outside Delivery Date (as hereinafter defined); and (3) Such modifications otherwise do not adversely alter the basic terms of this Lease or the Retail Space Lease.

42. Estoppel Certificates. Landlord or Tenant, as the case may be, shall execute, acknowledge and deliver to the other and/or to each leasehold mortgagee, promptly upon request, its certificate certifying (i) that the Lease is unmodified and in full force and effect, (or, if there have been modifications, that this Lease is in full force and effect, as modified, and describing the modifications), (ii) the dates, if any, to which the Capital Lease Payment or any other amounts payable hereunder have been paid, (iii) whether there are the existing any charges, offsets or defenses against the enforcement by Landlord or Tenant to be performed or observed and, if so, specifying the same, (iv) whether there are then existing any defaults by Tenant or Landlord in the performance or observance by Tenant or Landlord of any agreement, covenant or condition hereof on the part of Tenant or Landlord to be performed or observed and whether any notice has been given to Tenant or Landlord of any default which has not been cured, and, if so, specifying the same, and (v) any other items reasonably requested by any equity investor or any leasehold mortgagee, Landlord and/or Tenant, as the case may be.

43. Attorneys' Fees. If Landlord and Tenant litigate any provision of this Lease or the subject matter of this Lease, the unsuccessful litigant will pay to the successful litigant all

reasonable out-of-pocket costs and expenses, including reasonable attorneys' fees and court costs, actually incurred by the successful litigant at trial and on any appeal.

44. Landlord's Lease of the Retail Space. Following the issuance of a certificate of completion from applicable Government Authorities (a "*Certificate of Completion*") for the Retail Space and Parking Facility (if applicable and as hereinafter defined), Landlord's designee ("*Sublessee*") shall lease from Tenant the Retail Space. Sublessee's leasing of the Retail Space shall be in accordance with the terms of a lease to be agreed to by Landlord and Tenant, with Landlord and Tenant using good faith, diligent efforts, during the Due Diligence Period (the "*Retail Space Lease*"), with the Retail Space Lease to provide, *inter alia*, for the following:

- (a) The term of the Retail Space Lease shall commence on the date that Tenant receives a Certificate of Completion for the Retail Space and Parking Facility, and shall have a term expiring on the expiration of this Lease. Tenant shall deliver the Retail Space along with the Certificate of Completion to Sublessee on or before December 31, 2016 (the "*Outside Delivery Date*");
- (b) The Retail Space shall consist of approximately Ten Thousand (10,000) square feet. Sublessee shall have the right to further sublease or assign the Retail Space Lease;
- (c) Base rent under the Retail Space Lease shall be One and No/100 Dollar (\$1.00) per year and additional rent equal to Sublessee's proportionate share of reasonable operating expenses for the Project including Taxes and CAM];
- (d) The Retail Space will be delivered to Sublessee in "vanilla box" condition (as defined in Exhibit "C" attached hereto and incorporated herein by this reference) (the "*Retail Space Work*"), with Sublessee to be solely responsible, at its expense, for all subsequent "build out" (including addition of HVAC components and related equipment) of the Retail Space. Tenant, as sublessor, shall be responsible, at its sole cost and expense, to diligently pursue, in good faith, all Approvals (including, without limitation, the Certificate of Completion) necessary for completion of the "vanilla box" work described in Exhibit "C".
- (e) No portion of the Retail Space shall be used for the following: (1) a laundromat; (2) a dry cleaner; (3) a funeral home; (4) indoor or outdoor theaters; (5) an arcade (provided, however, the foregoing shall not be deemed to prohibit the operation of an arcade that is incidental to another permitted use for the Retail Space); (6) a bowling alley; (7) a nightclub, bar or pool hall (provided, however, the foregoing shall not be deemed to prohibit the operation of a bar or the sale of beer, wine or liquor incident to a permitted restaurant operation); (8) a religious bookstore or

reading room (provided, however, the foregoing shall not be deemed to prohibit the incidental sale of religious books, newspapers, magazines or other similar religious periodicals in connection with another permitted use for the Retail Space); (9) a bingo parlor; (10) a flea market; (11) the sale of items affiliated with adult entertainment or drug paraphernalia store (provided, however, the foregoing shall not be deemed to prohibit (i) the incidental sale of adult books, newspapers, magazines or other similar adult periodicals in connection with another permitted use for the Retail Space or (ii) the sale of over-the-counter and/or prescription drugs); (12) the sale of firearms; (13) a stand-alone liquor store (provided, however, the foregoing shall not be deemed to prohibit (a) the incidental sale of beer, wine or alcohol in connection with another permitted use for the Retail Space and/or (b) the operation of a convenience store or drug store (which, by way of example, would include, without limitation, such stores operating under the trade names "7-Eleven", "Circle K", "CVS" and "Walgreens"); or (14) any use prohibited by applicable law.

- (f) Sublessee shall make a capital lease payment to Tenant, as sublandlord, equal to the total actual construction costs (the "*Total Cost*") for the Retail Space Work (the "*Retail Space Capital Lease Payment*"). Landlord and Tenant acknowledge that the actual amount of the Retail Space Capital Lease Payment will not be known as of the Commencement Date. Consequently, on the Commencement Date, an amount equal to \$50.00 times the estimated square footage of the Retail Space based upon the Construction Plans (as defined below) (i.e. Five Hundred Thousand and No/100 Dollars (\$500,000.00)) plus the Parking Fee (as defined below), if applicable, (collectively, the "*Capital Lease Payment Holdback*") will be held in escrow by Escrow Agent from Tenant's payment of the Capital Lease Payment to Landlord. Tenant's performance of the construction for the Retail Space (including determination of the cost for the Retail Space), shall be subject to the terms and conditions of Exhibit "D" attached hereto and incorporated herein.

The Capital Lease Payment Holdback shall be held in escrow by Escrow Agent pursuant to a post-Commencement Date escrow agreement to be agreed to by Landlord and Tenant, using good faith, diligent efforts, prior to the Commencement Date until the actual amount of the Retail Space Capital Lease Payment is determined following completion of construction of the Retail Space. Said escrow agreement will provide, and Landlord and Tenant hereby agree, that:

- (1) once the actual amount of the Retail Space Capital Lease Payment is known, Tenant shall provide Escrow Agent and Landlord with written evidence of such amount (the "*Written Notice*");
 - (2) if the Retail Space Capital Lease Payment exceeds the Capital Lease Payment Holdback, (i) Landlord shall pay such difference to Tenant within five (5) business days after Landlord's receipt of the Written Notice and (ii) Sublessee shall not be entitled to possession of the Retail Space until such difference is paid to Tenant;
 - (3) if the Retail Space Capital Lease Payment is less than the Capital Lease Payment Holdback, Escrow Agent shall release the Retail Space Capital Lease Payment to Tenant from the Capital Lease Payment Holdback, and release the balance of the Capital Lease Payment Holdback to Landlord, all within five (5) business days of receiving the Written Notice;
 - (4) as a condition to any Retail Space Capital Lease Payment to Tenant, Tenant shall submit (or cause to be submitted) final unconditional lien waivers and releases and final payment affidavits from all contractors and subcontractors performing the Retail Space Work and causing any notices of commencement filed in connection with such Retail Space Work to be terminated of record;
- (g) In the event Tenant, in connection with its initial development of the Project in accordance with the terms and conditions of this Lease, is obligated to construct a multiple tiered parking structure pursuant to Applicable Laws (the "*Parking Facility*"), Sublessee shall pay to Tenant an amount equal to the total actual cost of the Parking Facility multiplied by a fraction, the numerator of which is the total number of parking spaces within such finished Parking Facility required to accommodate the Retail Space as required by Applicable Law, and the denominator of which is the total number of spaces in the Parking Facility (the "*Parking Fee*"). The Parking Fee shall be included in the Capital Lease Payment Holdback. In the event surface parking is sufficient pursuant to Applicable Law, the Parking Fee will not be applicable. In the event the surface parking is insufficient pursuant to Applicable Law, Sublessee will be permitted to still include such surface parking spaces toward its total number of parking spaces required to accommodate the Retail Space as required by Applicable Law, which shall in turn reduce the numerator used in calculating the Parking Fee as provided herein; provided, however, Sublessee shall remain obligated to pay actual cost of construction of such surface parking spaces (the

"Applicable Surface Parking Spaces"). In the event Sublessee pays such Parking Fee, Sublessee shall be entitled to the exclusive use of the number of parking spaces required to accommodate the Retail Space, the location of such exclusive use parking spaces to be determined by Tenant and Sublessee using good faith, diligent efforts. The Parking Fee is a one-time payment obligation, and in the event Applicable Law does not require the Parking Facility prior to the date of issuance of the Certificate of Completion with respect to the Retail Space, the obligations under this subsection (g) shall terminate and be of no further force and effect.

- (h) Tenant shall deliver to Sublessee and agreement whereby Tenant, Sublessee and any mortgagee of Tenant's interest in the Retail Space (the "*Leasehold Mortgagee*") acknowledge and agree that (A) the Retail Space Lease is subordinate to the lien of the Leasehold Mortgage, (B) in the event such Mortgagee succeeds to the rights of Tenant hereunder, Sublessee shall attorn to the Mortgagee as successor lessor, and (C) so long as Sublessee is not in default hereunder beyond the expiration of any applicable cure period, Mortgagee shall not, in any foreclosure of its Leasehold Mortgage, seek to terminate the Retail Space Lease or otherwise disturb Lessee's possession of the Retail Space.

In connection with Sublessee's lease of the Retail Space, Tenant shall provide Landlord with copies of Tenant's proposed floor plan, construction documents, and construction budget(s) (which construction budget(s) shall be subject to the terms and conditions of Exhibit "D") for the Retail Space, and the related Parking Facility (if applicable) (collectively, the "*Construction Plans*"). Landlord shall have ten (10) business days following Landlord's receipt of the Construction Plans to provide Tenant with written comments to the Construction Plans specifying in detail Landlord's objections to the Construction Plans (the "*Objections*"). Tenant shall review the Objections and modify the Construction Plans to address Landlord's concerns. Landlord shall have ten (10) business days following Landlord's receipt of the revised Construction Plans to provide Tenant with any further Objections to the revised Construction Plans. Landlord's failure to timely comment on any draft of the Construction Plans shall be deemed Landlord's approval of the Construction Plans. The provisions of this Section shall survive Closing. Neither Sublessee's approval of the Construction Plans, nor any other inspections or approvals of the Retail Space and/or parking facilities constructed by Tenant, by Sublessee's employees, agents or inspecting engineers shall constitute a warranty or representation as to the technical sufficiency, adequacy or safety of the Construction Plans, structures, any of the component parts, or any other physical condition or feature pertaining to the improvements, it being acknowledged by Tenant that Sublessee will make such approvals solely as a Sublessee in determining and protecting the value of the Retail Space and Parking Facility for internal purposes, and not for construction-related matters nor for Applicable Laws.

45. Escrow Agent. Escrow Agent has agreed to act as such for the convenience of the parties. Escrow Agent shall not be liable for any act or omission to act except for its own gross negligence or willful misconduct. Escrow Agent shall be entitled to rely on any document or


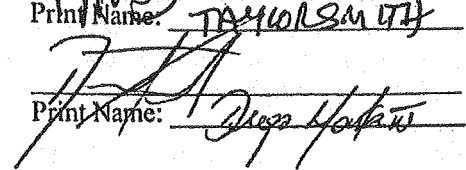
paper received by it, believed by Escrow Agent, in good faith, to be bona fide and genuine. In the event of any dispute as to the disposition of the Escrow Deposits, Escrow Agent shall give written notice to all parties advising that, in the absence of written instructions signed by both Landlord and Tenant received within the next ten (10) days, Escrow Agent shall interplead the Escrow Deposits by filing an interpleader action in the Circuit Court in and for Miami-Dade County, Florida (the "Court") (to the jurisdiction of which both parties do hereby consent). If Escrow Agent receives the aforesaid written instructions from Landlord and Tenant, it shall continue to hold the Escrow Deposits pursuant to such written instructions. If Escrow Agent does not receive the aforesaid written instructions, it shall deliver into the registry of the Court the Escrow Deposits, including all interest earned thereon, whereupon Escrow Agent shall be relieved and released from any further liability as Escrow Agent hereunder. Escrow Agent is counsel for Tenant. It is agreed that Escrow Agent shall not be disqualified from representing Tenant in connection with any dispute or litigation which might arise out of or in connection with this Lease by virtue of the fact that it has agreed to act as Escrow Agent hereunder.

46. Indemnification. Tenant shall indemnify, defend and save harmless, Landlord and Landlord Indemnitees from and against any and all loss, damage, claim, demand, liability or expense (including reasonable attorneys' fees) resulting from claims by third parties in connection with the Leased Premises arising after the Effective Date (the "Claims"); provided, however, the foregoing indemnification shall not extend to Claims which are the result of the gross negligence or willful misconduct of an indemnified party, or which arise by virtue of Sublessee's possession, use and/or operation of the Retail Space, all of which are expressly excluded from the effect of the foregoing indemnity. Tenant acknowledges and agrees that its compliance with the insurance requirements under this Lease shall not restrict, limit or modify Tenant's obligations under this Section.

[Signatures Commence on Next Page]

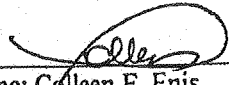
IN WITNESS WHEREOF, Landlord and Tenant have caused this Lease to be executed as of the date first written above.

WITNESSES:

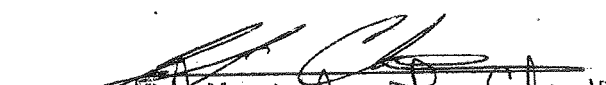
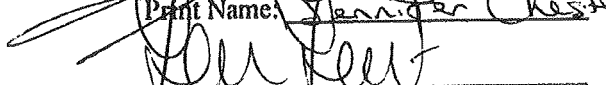

Print Name: Taylor Smith

Print Name: Jess York

LANDLORD:

JCCE COMMERCIAL, LLC, a Florida limited liability company

By: 
Name: Colleen E. Enis
Title: President

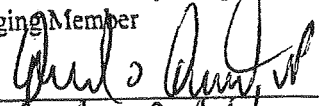
WITNESSES:


Print Name: Jennifer Chester

Print Name: Lauren Lerrant

TENANT:

PINNACLE RIO, LLC,
a Florida limited liability company

By: PHG - Rio, LLC,
a Florida limited liability company,
its Managing Member

By: 
Name: David O. DeStefano
Title: Vice President

ACKNOWLEDGMENT OF ESCROW AGENT

The undersigned hereby acknowledges receipt of the Initial Deposit, and agrees to accept, hold and disburse same in accordance with the provisions of this Lease.

SHUTTS & BOWEN LLP,
a Florida limited liability partnership

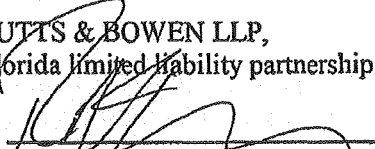
By: 
Name: Robert Cheng
Title: Partner

Exhibit "A"

Legal Description for the Leased Premises

Lot 3 and Lot 15 less the South 10 feet thereof in Block 6 of GRAND VIEW PARK, according to the Plat thereof, as recorded in Plat Book 5, at Page 58, of the Public Records of Dade County, Florida.

Lot 4 and Lot 16 less the South 10 feet thereof, in Block 6 of GRAND VIEW PARK, according to the Plat thereof, recorded in Plat Book 5, at Page 58, of the Public Records of Dade County, Florida.

Lot 14, less the South 10 feet thereof, in Block 6, of GRAND VIEW PARK, according to the Plat thereof, as recorded in Plat Book 5, at Page 58, of the Public Records of Dade County, Florida.

Lot 17 less the South 10 feet thereof, and the South 7 feet of Lot 18, all within Block 6 of GRAND VIEW PARK, according to the Plat thereof, as recorded in Plat Book 5, at Page 58, of the Public Records of Dade County, Florida.

Exhibit "B"

Insurance

Commercial general liability insurance with a combined single limit of not less than Two Million Dollars (\$2,000,000.00) for injury to or death of any one person, for injury to or death of any number of persons in one occurrence, and for damage to property, insuring against any and all liability of Tenant and Landlord including coverage for contractual liability and broad form property damage; provided Landlord shall have the right from time to time to determine such higher limits as may be reasonable and customary for similar properties similarly situated.

Worker's Compensation Insurance in accordance with the laws of the State of Florida.

Such other insurance on or in connection with the Leased Premises as Landlord may reasonably require and which at the time is commonly obtained in connection with similar properties similarly situated.

Exhibit "C"

Definition of "Vanilla Box" Condition for Retail Space

For purposes of this Agreement, the term "vanilla box" means the following, as more particularly described in the Construction Plans:

1. Four walls ready to paint.
2. Toilet facilities completed to local applicable codes.
3. Provide storefront, including glazing, and entry door(s).
4. Provide electric panel.
5. Provide and install rear service door(s).
6. Provide water and sewer service to Retail Space (excluding water meter).
7. Concrete slab floor.
8. Life safety systems pursuant to local applicable codes.

The above stated improvements shall be the limit of Tenant's build-out work, as landlord, under the Retail Space Lease, and any additional improvements (including, without limitation, any HVAC equipment and ductwork) shall be at the Landlord's sole expense & responsibility, as tenant under the Retail Space Lease.

Exhibit "D"

Total Cost

The following guidelines will be used in connection with calculating the "Total Cost" in connection with the Retail Space Work, Parking Facility and Applicable Surface Parking Spaces (as applicable, with substitution of the foregoing defined terms herein based on the applicable component of construction):

- a. "Total Cost" shall mean the actual, reasonable and necessary costs that are attributable to Tenant constructing only the Retail Space Work in accordance with the Construction Plans. For illustrative purposes only, such costs may include, without limitation, to the extent actually paid by Tenant to the extent reasonable and necessary in completion of the Retail Space Work: (a) sums paid to surveyors, architects, engineers, expeditors, and land planners, (b) sums paid submitting for and/or obtaining approval from all applicable Governmental Authorities in connection with construction of the Retail Space Work in accordance with the Construction Plans, (c) costs to prepare the Construction Plans, and (d) public impact fees imposed by local municipalities, public work and utility infrastructure costs (including water and sewer connection charges, reserve capacity charges and connection fees and line charges). Total Costs shall not include unapplied contingency funds, amounts reimbursed or owed to Tenant by third parties pursuant to any indemnity, insurance proceeds, or other valid claims against parties performing work and/or services in connection with the purchase and development of the Retail Space Work, costs incurred due to Tenant's negligence, omissions, breach of any provision of any agreement for work or services to be performed in connection with the purchase and development of the Retail Space Work, or affirmative acts not taken in good faith pursuant to any right of Tenant under any agreement for work or services to be performed in connection with the Retail Space Work, any "mark-up" or other consideration for Tenant's role and responsibilities in dealing with contractors, subcontractors and suppliers (including, without limitation, developer or management fees) and/or any costs, expenses and/or fees associated with Tenant's financing (including, without limitation, transfer taxes, recording fees, principal or interest payments, points, origination fees or other finance charges, costs associated with the preparation and issuance of mortgagee's title insurance commitment(s), endorsement(s) and/or policy(ies) (including, without limitation, premiums), attorneys' fees or mortgage brokers' fees incurred by Tenant in connection with its financing.

- b. Tenant shall, upon consultation and approval of Sublessee: (i) select at least three (3) potential contractors with demonstrated ability to perform work of the type and amount required and having sound financial histories, which contractors, with Sublessee's approval, will be permitted to bid on the basis of such demonstrated ability; (ii) prepare all forms and documents reasonably required for bidding and direct and cause all bids to be sealed and delivered directly to Sublessee; (iii) conduct a bidding process for the award of each contract, pursuant to which

process such pre-selected contractors shall submit written bids directly to Sublessee; (iv) require, except with the prior written consent of Sublessee, a minimum of three (3) bona fide, properly executed bid package submissions; (v) following Sublessee's delivery of the opened bids to Sublessee, promptly evaluate, level, advise and discuss with Sublessee the selection of the lowest responsible bidder for each contract and prepare for Sublessee's review, a procurement memo describing the process of each bid category and setting forth a comparison of the bids; (vi) provide the necessary documentation (including, but not limited to information regarding the proposed contractor's skill, integrity, experience, and financial resources to perform the work in accordance with the terms and conditions of the contract) required by Sublessee before awarding any contract; (vii) meet with the bidders to discuss work schedules and the nature of the bidders' obligation under the contract in order to ascertain the responsibility of the bidders, and to negotiate with the bidders to secure the best price from a qualified bidder; (viii) obtain the prior written approval of Sublessee before rejecting any low bidder as not responsible; (ix) if the low bidder is rejected as not responsible, meet with the other bidders, until the lowest responsible bidder is selected; (x) consult with, and make recommendations to, Sublessee regarding the awarding of the contract to the lowest responsible bidder, or any alternatives, including the reformulation of the bids, or further refinement of the bids into distinct trade categories; (xi) upon the written approval of Sublessee, award the contract (as approved by Sublessee) to the approved bidder; and (xii) within five (5) days following the award of either the general contract or trade contracts for all major trades, Tenant shall submit for Sublessee's review and approval, the Budget reflecting the costs for each line item of Total Cost based on the contract(s) awarded therefor (the approved budget being herein referred to as the "*Budget*"). In the event Tenant fails to comply with any of the foregoing requirements, then, in addition to any other rights or remedies of Sublessee, the calculation of Total Costs shall not, with respect to such portion(s) of the work, exceed the amount of the bid/bidder selected by Sublessee for such work.

- c. All contracts between Tenant and the contractor(s) performing the Retail Space Work (or any portion thereof) shall be on a "lump sum" basis and in all respects subject to Sublessee's written approval, which shall not be unreasonably withheld, conditioned or delayed. Tenant shall not enter into any "cost-plus" or "GMP" contracts with any contractor(s) performing the Retail Space Work (or any portion thereof) without Tenant's prior written approval. All contracts for the performance of Tenant's Retail Space Work shall expressly provide that: (i) Landlord, Sublessee and Landlord's and Sublessee's lender shall be named as additional insureds on all policies of insurance maintained by Tenant and the contractor; and (ii) any indemnities contained in the construction contract shall name, be in favor of, and enforceable by, Landlord, Sublessee and Landlord's and Sublessee's lender.
- d. Notwithstanding anything contained herein to the contrary, Tenant shall disclose the specific nature of any proposed transaction or contemplated contract between Tenant and a Related Construction Party (including the nature of the relationship

to the Related Construction Party). A "*Related Construction Party*" shall mean any parent, subsidiary, affiliate or other entity having common ownership, control, or management with Tenant; entities in which stockholders in, or management employees of, the Tenant own an interest; any person or entity with the right to control the business or affairs of the Tenant; and any member of the immediate family of such person. Sublessee shall have the absolute right to refuse to permit Tenant to enter into any such transaction for any reason or for no reason, without recourse.

- e. All change orders under any contracts for the performance of the Retail Space Work, shall be submitted to Sublessee, for Sublessee's review and approval, which approval shall not be unreasonably withheld, conditioned or delayed. Upon Sublessee's approval and thereafter full execution of such change order(s) by Tenant and the contractor, Tenant shall update the Budget reflecting the increased or decreased costs for each line item based on such change order(s) and the updated Budget shall supersede and replace any previously delivered Budget.
- f. To the fullest extent permitted by laws, Tenant shall indemnify, defend and hold harmless Sublessee and the Sublessee Indemnitees (as hereinafter defined) from and against claims, damages, losses and expenses, including but not limited to reasonable attorneys' fees, arising out of or resulting from the performance of, or failure to perform, the Retail Space Work, breach of the terms and conditions of this Exhibit "D" and/or to the extent caused by, or arising out of, the acts or omissions of Tenant, the contractor(s), anyone directly or indirectly employed by them or anyone for whose acts they may be liable, regardless of whether or not such claim, damage, loss or expense is caused in part by a party indemnified hereunder. Tenant recognizes that certain federal, state, and local laws, statutes and regulations may impose liability upon Sublessee without fault on its part for injuries to Tenant's or any contractor's employees. As between Tenant and Sublessee, Tenant agrees that it has the responsibility of providing a safe place to work. To the fullest extent permitted by law, Tenant shall hold harmless, defend and indemnify Sublessee and Sublessee Indemnitees from any liability for damages arising from Tenant's or its contractors' failure to provide a safe place to work or to comply with all applicable laws, statutes, and regulations. Tenant's indemnity obligations shall also include, but not by way of limitation, all fines, penalties, damages, judgments, liability, costs and expenses (including attorneys' fees) resulting from any: (i) violation or failure to comply with any law, statute, ordinance, regulation, code or requirement of public authority, that bears upon the performance of the Retail Space Work by Tenant, each contractor or any other person for whom Tenant and the contractor(s) are responsible; (ii) means, methods, procedures, techniques, or sequences of performance of the Retail Space Work; (iii) violations of any permit or other approval of a public or governmental authority applicable to the Retail Space Work by Tenant, any contractor(s), supplier(s) or any person or entity for whom either the foregoing are responsible; and (iv) any costs or expenditures by any Sublessee Indemnitee in connection with enforcing the indemnity, defense and hold harmless obligations contained herein and in any construction contract(s). For the purposes herein, "*Sublessee*

Indemnitee" shall mean Landlord, Landlord's and Sublessee's affiliates, subsidiaries, members, managers, officers, employees, agents, contractors and/or licensees and Landlord's and Sublessee's lender.

- g. Prior to performing the Retail Space Work, Tenant shall obtain and deliver to Sublessee a performance and payment bond from Tenant or Tenant's general contractor covering the completion of, and payment for, the Retail Space Work in accordance with the Construction Plans (collectively, a "Development Bond").
- h. Tenant shall keep accurate, full and detailed records and accounts related to the Total Cost and exercise such controls as may be necessary for proper financial management of the Retail Space Work and to substantiate all costs incurred. All records shall be in English and maintained in accordance with generally accepted accounting standards in order to maintain an audit trail of all financial and non-financial transactions resulting from the Retail Space Work. The accounting and control systems shall be satisfactory to Sublessee. Sublessee and Sublessee's auditors shall, during regular business hours and upon reasonable notice, be afforded access to, and shall be permitted to audit and copy Tenant's records and accounts, including complete documentation supporting accounting entries, books, correspondence, instructions, drawings, receipts, subcontracts, proposals, purchase orders, vouchers, memoranda and other data relating to Tenant's Retail Space Work. Tenant shall preserve these records for a period of five (5) years after final payment, or for such longer period as may be required by law. During the term of the Sublease and for a period of five (5) years following completion of the Retail Space Work, Tenant shall provide to Sublessee, its agents, auditors and government regulators access at all reasonable times (and in the case of regulators at any time required by such regulators) to: (i) any facility or part of a facility at which either Tenant or any of its contractors are performing work; and (ii) data and records relating to the Retail Space Work for the purpose of performing audits and inspections. Tenant shall cooperate with and provide to Sublessee and such auditors, inspectors, regulators and other representatives such assistance as they may reasonably request in performing any audit.

Exhibit "E"

Insurance Leasehold Mortgage Provision

Lender shall not exercise its option to apply insurance proceeds to the payment of the Indebtedness if all of the following conditions are met: (1) no Event of Default (or any event which, with the giving of notice or the passage of time, or both, would constitute an Event of Default) has occurred and is continuing; (2) Lender determines, in its discretion, that there will be sufficient funds to complete the Restoration; (3) Lender determines, in its discretion, that the net operating income generated by the Mortgaged Property after completion of the Restoration will be sufficient to support a debt service coverage ratio not less than the greater of (A) the debt service coverage ratio as of the date of this Instrument (based on the final underwriting of the Mortgaged Property) or (B) the debt service coverage ratio immediately prior to the loss (in each case, Lender's determination shall include all operating costs and other expenses, Imposition Deposits, deposits to reserves and loan repayment obligations relating to the Mortgaged Property); (4) Lender determines, in its discretion, that the Restoration will be completed before the earlier of (A) one year before the maturity date of the Note or (B) one year after the date of the loss or casualty; and (5) upon Lender's request, Borrower provides Lender evidence of the availability during and after the Restoration of the insurance required to be maintained by Borrower pursuant to this Section.

Attachment

8

2013 LOCAL GOVERNMENT VERIFICATION OF CONTRIBUTION – LOAN FORM

Name of Development: Pinnacle Rio

On NW 14th St., northwest of the

Development Location: intersection of NW 14th St. and NW 14th Ave., Miami
(At a minimum, provide the address number, street name and city, and/or provide the street name, closest designated intersection and either the city (if located within a city) or county (if located in the unincorporated area of the county). If the Development consists of Scattered Sites, the Development Location stated above must reflect the Scattered Site where the Development Location Point is located.)

On or before the Application Deadline, the City/County of Miami-Dade, committed
(Name of City or County)

\$ 160,000.00 (which may be used as a Non-Corporation Funding Proposal in the Application if it meets the
(loan amount)

required criteria) in the form of a reduced interest rate loan to the Applicant for its use solely for assisting the proposed Development referenced above.

The net present value of the above-referenced loan, based on its payment stream, inclusive of a reduced interest rate and the designated discount rate (as stated in the applicable RFA) is: \$ 104,000.00.

No consideration or promise of consideration has been given with respect to the loan. For purposes of the foregoing, the promise of providing affordable housing does not constitute consideration. The commitment for this loan is effective as of the Application Deadline referenced above, and is provided specifically with respect to the proposed Development.

CERTIFICATION

I certify that the foregoing information is true and correct and that this commitment is effective at least through June 30, 2014.



Carlos A. Gimenez

Signature

Print or Type Name

Mayor

Print or Type Title

This certification must be signed by the chief appointed official (staff) responsible for such approvals, Mayor, City Manager, County Manager /Administrator/Coordinator, Chairperson of the City Council/Commission or Chairperson of the Board of County Commissioners. If the contribution is from a Land Authority organized pursuant to Chapter 380.0663, Florida Statutes, this certification must be signed by the Chair of the Land Authority. One of the authorized persons named above may sign this form for certification of state, federal or Local Government funds initially obtained by or derived from a Local Government that is directly administered by an intermediary such as a housing finance authority, a community reinvestment corporation, or a state-certified Community Housing Development Organization (CHDO). Other signatories are not acceptable. The Applicant will not receive credit for this contribution if the certification is improperly signed. To be considered for points, the amount of the contribution stated on this form must be a precise dollar amount and cannot include words such as estimated, up to, maximum of, not to exceed, etc.

If the Application is not eligible for automatic points, this contribution will not be considered if the certification contains corrections or 'white-out' or if the certification is altered or retyped. The certification may be photocopied.

Please note: This form may be modified by Florida Housing Finance Corporation per Section 67-60.005, F.A.C.

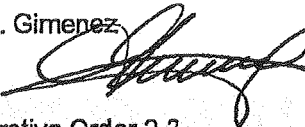
Russell Benford has signed this form on behalf of the Mayor Carlos Gimenez, pursuant to authority granted to him to sign on the mayor's behalf as the mayor's designee, as per the attached Memorandum. Mr. Benford is not signing this form in his own capacity, but rather is signing for and on behalf of the Mayor as though the Mayor signed such form directly.

Memorandum




Date: August 1, 2011

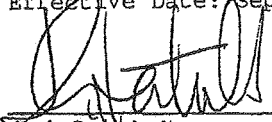
To: Christopher Agrippa, Division Chief
Clerk of the Board
Clerk of the Courts


From: Carlos A. Gimenez, Mayor 


Subject: Administrative Order 2-3
Signature Authority

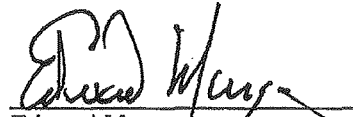
This memo authorizes the following staff members to sign documents and agreements, which have been reviewed by the County Attorney as to form and legal sufficiency, and approved by official action of the Board of County Commissioners. In addition, these signatures will authorize submission of agenda items to the Office of Agenda Coordination.

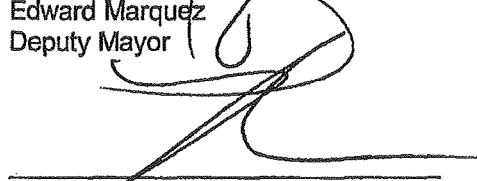

Genaro "Chip" Iglesias
Deputy Mayor/Chief of Staff
Effective Date: September 12, 2011


Jack Osterholt
Deputy Mayor


Lisa M. Martinez
Senior Advisor to the Mayor


Alina T. Hudak
Deputy Mayor/County Manager


Edward Marquez
Deputy Mayor


RUSSELL BENFORD
Deputy Mayor
Effective Date: September 6, 2011

c: Eugene Love, Director, Office of Agenda Coordination
Liliana D. Collazo, Office of the Mayor

Attachment

9

N/A

Attachment

11

Wells Fargo Community Lending and Investment
301 South College Street
Charlotte, NC 28288-5640



**WELLS FARGO BANK
EQUITY LETTER**

November 3, 2013

Mr. David O. Deutch
Pinnacle Rio, LLC
9400 S. Dadeland Blvd.
Suite 100
Miami, Florida 33156

**Re: Pinnacle Rio – 106 units
Miami, Miami-Dade County, Florida**

Dear Mr. Deutch:

We are pleased to advise you that we have preliminarily approved an equity investment to be used for construction and permanent financing in Pinnacle Rio, LLC, a Florida limited liability company, which will own and operate a 106-unit affordable housing community to be known as Pinnacle Rio, located in Miami, Miami-Dade County, Florida. This preliminary commitment is made based upon the financial information provided to us in support of your request, and under the following terms and conditions:

Investment Entity/Beneficiary: Pinnacle Rio, LLC, a Florida limited liability company (the "Company"), with PHG-Rio, LLC as Managing Member and Wells Fargo Bank ("Wells Fargo") as Investor Member with a 99.99% ownership interest in the Company.

Annual Housing Credit Allocation:	\$2,561,000*
Housing Credits Purchased:	\$25,607,439 (\$25,610,000 x 99.99 %)*
Syndication Rate:	\$0.9625
Net Capital Contribution:	\$24,647,160*
	* All numbers are rounded.
Equity Proceeds Paid Prior to Construction Completion:	\$19,717,728*
	* All numbers are rounded to the nearest dollar.

Pay-In Schedule:

Funds available for Capital Contribution #1:
\$6,161,790* to be paid prior to or simultaneously
with the closing of the construction financing.

* All numbers are rounded to the nearest dollar.

Funds available for Capital Contribution #2:
\$13,555,938* prior to construction completion.

* All numbers are rounded to the nearest dollar.

***Equity Proceeds Paid After
Stabilization.***

\$4,929,432*

* All numbers are rounded to the nearest dollar.

***Obligations of the Managing
Member and Guarantor(s):***

Operating Deficit Guaranty: The Managing Member
agrees to provide operating deficit loans to the
Company for the life of the Company.

Development Completion Guaranty: The Managing
Member will guarantee completion of construction of
the Project substantially in accordance with plans and
specifications approved by Wells Fargo, including,
without limitation, a guaranty: (i) to pay any amounts
needed in excess of the construction loan and other
available proceeds to complete the improvements; (ii)
of all amounts necessary to achieve permanent loan
closing; and (iii) to pay any operating deficits prior to
the conclusion of Project construction.

Credit Adjusters: The Company will provide that, if
in any year actual credits are less than projected
credits, then the Investor Member shall be owed an
amount necessary to preserve its anticipated return
based on the projected credit.

The obligations of the Managing Member shall be
guaranteed by Louis Wolfson III, Michael D. Wohl,
David O. Deutch, Mitchell M. Friedman, PHG-Rio,
LLC and any such other entity/individual deemed
appropriate following Wells Fargo due diligence
review.

Incentive Mgmt. Fee:

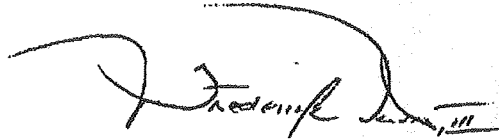
50%.

4) Receipt, review, and approval of the appraisal with incorporated market study, environmental and geological reports, plans and specifications, contractor and such other conditions which are customary and reasonable for an equity investment of this nature and amount.

This preliminary commitment will expire on December 31, 2014 if not extended by Wells Fargo.

Wells Fargo wishes to thank you for the opportunity to become investment partners.

Sincerely,

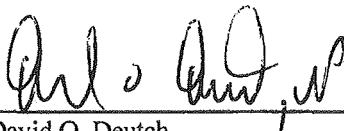


J. Frederick Davis, III
Senior Vice President

Agreed and Accepted this Day:

By: Pinnacle Rio, LLC

By: PHG-Rio, LLC, a Florida limited liability company, as its Managing Member

By: 
Name: David O. Deutch
Title: Vice President of the Managing Member

Date: 11/8/13

Attachment

12

Wells Fargo Community Lending and Investment
301 South College Street
Charlotte, NC 28288-5640



WELLS FARGO
PRELIMINARY LOAN COMMITMENT AGREEMENT
FOR CONSTRUCTION AND PERMANENT FINANCING

November 3, 2013

Mr. David O. Deutch
Pinnacle Rio, LLC
9400 S. Dadeland Blvd.
Suite 100
Miami, Florida 33156

Re: *Pinnacle Rio – 106 units*
Miami, Miami-Dade County, Florida

Dear Mr. Deutch:

We are pleased to advise you that, on or before the date set forth above, we have preliminarily approved a construction and permanent loan for the above referenced development. This preliminary commitment is made based upon the financial information and projections provided to us in support of your loan application, and under the following terms and conditions:

Borrower: Pinnacle Rio, LLC, a Florida limited liability company.

Guaranty: The unconditional joint and several guaranty of payment and performance of the construction loan and permanent loan (described below) by Louis Wolfson III, Michael D. Wohl, David O. Deutch, Mitchell M. Friedman, PHG-Rio, LLC and any such other entity/individual deemed appropriate following Wells Fargo due diligence review. The permanent loan (described below) is non-recourse.

Loan Amount: Construction - \$13,300,000
Permanent - \$ 2,100,000

Interest Rate: Construction - LIBOR plus 350 basis points with a floor of 6.00% and a rate fixed at closing.
Permanent - 10-year treasury plus 150 basis points with a floor of 7.50% and a rate fixed at closing.

The construction debt was underwritten at 6.00% interest. The permanent debt was underwritten at 7.50% interest. Actual rate may be negotiated by the payment of additional points set at closing.

Repayable: Construction - Interest only payable monthly.
Permanent - Principal and interest payable monthly

Term: Construction - 24 months
Permanent - 18 years
Amortization - 30 years

Commitment Fee: 1.0% of the Construction loan payable at closing.
1.0% of the Permanent loan payable at closing.

Security: Construction and Permanent - A first mortgage lien on the above proposed development.

Conditions to Funding Construction Loans:

Successful award and allocation of annual low income housing tax credits from the Florida Housing Finance Corporation.

Complete plans and specifications.

Firm cost estimates with Wells Fargo's independent analysis.

Appraisal acceptable to Wells Fargo

Soils analysis and environmental report acceptable to Wells Fargo

The general contractor and the construction contract shall be subject to approval by Wells Fargo.

Such other conditions which are customary and reasonable for a loan of this nature and amount

Conditions to Funding Permanent Loan:

Construction of the project is 100% complete.

Property has reached stabilized occupancy for at least 90 days.

All certificates of occupancy have been issued and remain in effect.

A final allocation of low-income housing tax credits has been received.

Such other conditions which are customary and reasonable for a loan of this nature and amount

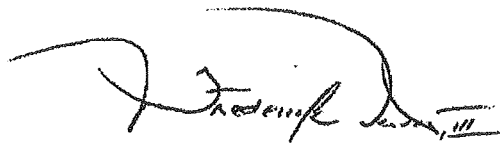
All third-party beneficiary rights are expressly negated. No person who is not a party to this preliminary commitment shall have or enjoy any rights under this letter. No change, amendment or modification of this preliminary commitment shall be valid unless made in writing, addressed to the Borrower and signed by a duly authorized officer of Wells Fargo.

By executing this letter, the Applicant agrees (a) to indemnify and hold harmless Bank and its affiliates and their respective officers, directors, employees, advisors, and agents from and against any and all losses, claims, damages and liabilities to which any such indemnified person may become subject arising out of or in connection with its issuance of this letter, and to reimburse each indemnified person upon demand for any legal or other expenses incurred in connection with investigating or defending any of the foregoing.

This commitment will expire on December 31, 2014 if not extended by Wells Fargo.

Wells Fargo wishes to thank you for the opportunity to provide financing for the development, and we look forward to closing this transaction.

Sincerely,

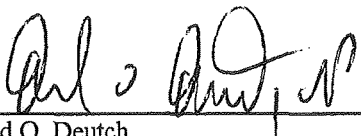


J. Frederick Davis, III
Senior Vice President

Agreed and Accepted this Day:

By: Pinnacle Rio, LLC

By: PHG-Rio, LLC, a Florida limited liability company, as its Managing Member

By: 
Name: David O. Deutch
Title: Vice President of the Managing Member

Date: 11/8/13

