

RESOLUTION NO. 2022-011

A meeting of the Housing Finance Authority of Broward County, Florida was held at 5:30 p.m. on August 17, 2022, at 110 Northeast Third Street, Suite 300, Fort Lauderdale, Florida.

Present: Daniel D. Reynolds, Milette Manos, Donna Jarrett-Mays,

Scott Ehrlich, John G. Primeau, Colleen LaPlant

Absent: Ruth T. Cyrus, Jose Lopez

Thereupon, the following resolution was considered:

A RESOLUTION OF THE HOUSING FINANCE AUTHORITY OF BROWARD COUNTY, FLORIDA (THE "HFA") SUPPLEMENTING AND AMENDING RESOLUTION NO. 2022-009 ENTITLED "A RESOLUTION OF THE HOUSING FINANCE AUTHORITY OF BROWARD COUNTY, FLORIDA (THE "HFA") AUTHORIZING THE ISSUANCE OF ITS MULTIFAMILY HOUSING MORTGAGE REVENUE NOTE, SERIES 2022 (THE GALLERY AT FATVILLAGE) IN A PRINCIPAL AMOUNT OF NOT TO EXCEED \$42,850,000 (THE "NOTE") FOR THE PURPOSE OF FINANCING THE CONSTRUCTION AND EQUIPPING OF A MULTIFAMILY HOUSING PROJECT KNOWN AS THE GALLERY AT FATVILLAGE LOCATED IN BROWARD COUNTY, FLORIDA; APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF A LAND USE RESTRICTION AGREEMENT BY AND AMONG THE HFA, THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., AS FISCAL AGENT AND RELATED FATVILLAGE, LLC, AS BORROWER; APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF A FUNDING LOAN AGREEMENT AMONG THE HFA, JPMORGAN CHASE BANK, N.A. AND THE FISCAL AGENT; APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF A PROJECT LOAN AGREEMENT AMONG THE HFA, THE BORROWER AND THE FISCAL AGENT; APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF A PLACEMENT AGENT AGREEMENT FOR THE NOTE BY AND AMONG THE HFA, RAYMOND JAMES & ASSOCIATES, INC. AND RBC CAPITAL MARKETS, LLC; APPROVING AND AUTHORIZING THE

EXECUTION AND DELIVERY OF A FISCAL AGENT FEE AGREEMENT BY AND BETWEEN THE HFA AND THE FISCAL AGENT; APPROVING AND AUTHORIZING THE EXECUTION OF THE ALLONGE TO THE MULTIFAMILY NOTE (PROJECT NOTE); APPROVING AND AUTHORIZING THE EXECUTION OF THE ASSIGNMENT OF LEASEHOLD MORTGAGE AND SECURITY DOCUMENTS; APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF THE RECOGNITION, ATTORNMENT AND ASSENT TO LEASEHOLD MORTGAGE (SENIOR MORTGAGE); APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF CERTAIN ADDITIONAL AGREEMENTS NECESSARY OR DESIRABLE IN CONNECTION WITH THE ISSUANCE OF THE NOTE; WAIVING THE FEE FOR SERVICES RELATED TO THE HFA'S ANNUAL AUDIT OF THE PROJECT; AUTHORIZING THE PROPER OFFICERS OF THE HFA TO DO ALL THINGS NECESSARY OR ADVISABLE IN CONNECTION WITH THE ISSUANCE OF THE NOTE; AND PROVIDING AN EFFECTIVE DATE FOR THIS RESOLUTION"; ACKNOWLEDGING AND CONSENTING TO SUBORDINATE FINANCING AND REPLACEMENT OF THE TERM SHEETS; AUTHORIZING THE PROPER OFFICERS OF THE HFA TO DO ALL THINGS NECESSARY OR ADVISABLE IN CONNECTION WITH THE ISSUANCE OF THE NOTE; AND PROVIDING AN EFFECTIVE DATE FOR THIS RESOLUTION.

WHEREAS, the Housing Finance Authority of Broward County, Florida (the "HFA") is empowered under the laws of the State of Florida, including the Florida Housing Finance Authority Law, Florida Statutes, Sections 159.601 through 159.623, as amended (the "Act") and Ordinance 79-41 enacted by the Board of County Commissioners of Broward County, Florida (the "Board") on June 20, 1979 (the "Ordinance"), as amended, to issue multi-family housing revenue bonds; and

WHEREAS, the HFA desires to issue a Multifamily Housing Mortgage Revenue Note, Series 2022 (the "Note") in a principal amount of not to exceed \$42,850,000 for the purpose of financing the construction and equipping of a multi-family residential housing development in Fort Lauderdale, Broward County, Florida (the "County") known as The Gallery at FATVillage (the "Project"); and

WHEREAS, Related FATVillage, LLC, a Florida limited liability company (the “Borrower”), has requested the HFA to issue its Note to provide funds to make a loan to the Borrower (the “Loan”) to finance the construction and equipping of the Project; and

WHEREAS, the HFA previously adopted Resolution No. 2022-009 on April 20, 2022 (the “Authorizing Resolution”), authorizing the Note; and

WHEREAS, the HFA now desires to supplement and amend the Authorizing Resolution to acknowledge and consent to the Borrower’s subordinate debt and replacement of the Term Sheets; and

WHEREAS, the Project and the financing thereof will assist in alleviating the shortage of housing in the County and of capital for investment therein, will serve the purposes of the Act and the Project will constitute a “qualified housing development” under the Act.

NOW THEREFORE, BE IT RESOLVED BY THE HOUSING FINANCE AUTHORITY OF BROWARD COUNTY, FLORIDA:

Section 1. Adoption of Representations. The foregoing WHEREAS paragraphs are hereby ratified and confirmed as being true, and the same are hereby made a specific part of this Resolution.

Section 2. Subordinate Financing. The HFA hereby acknowledges that the Borrower intends to secure subordinate financing for the Project in the form of (i) a loan from Broward County in the approximate principal amount of not to exceed \$2,500,000 (the “County Loan”) and (ii) a loan from the City of Fort Lauderdale in the approximate principal amount of not to exceed \$2,500,000 (the “City Loan”, and together with the County Loan, the “Subordinate Financing”). Given the need for additional affordable rental units in the County, the high development costs associated with the Project, and the favorable financing terms of the Subordinate Financing, the HFA hereby determines

that it is in the public interest to consent to such Subordinate Financing in this instance. Accordingly, the HFA (i) authorizes the Chair or the Vice Chair of the HFA to consent to such Subordinate Financing and to execute and deliver any agreements that may be necessary in connection with such consent, with the advice of and in such form as Bond Counsel and the County Attorney may deem necessary and appropriate, and (ii) directs the Trustee to, as necessary, consent to such Subordinate Financing and to execute and deliver any agreements that may be necessary in connection with such consent, with the advice of and in such form as Bond Counsel and the County Attorney may deem necessary and appropriate.

Section 3. Waiver of Prohibition Against Utilizing Subordinate Debt Funds to Pay Off the Note. The HFA has a strict prohibition against using subordinate debt funds to pay off its tax-exempt bonds. However, with respect to the Note, the HFA hereby waives its prohibition against the Borrower using any of the Subordinate Financing to pay off the Note, if necessary.

Section 4. Amendment of Exhibit I to the Authorizing Resolution. Exhibit "I" of the Authorizing Resolution is hereby amended by deleting the prior Term Sheets and replacing them with the Term Sheets attached hereto as Exhibit "I."

Section 5. Further Actions and Ratifications of Prior Actions. The officers, agents and employees of the HFA are hereby authorized and directed to do all acts and things required of them and to execute and deliver any and all additional documents necessary or advisable to effectuate the issuance of the Note.

Section 6. Authorizing Resolution Confirmed. Except as supplemented and amended hereby, all of the provisions of the Authorizing Resolution shall remain in force and in effect, and the Authorizing Resolution as so supplemented and amended hereby shall be read, taken and construed as one and the same instrument.

Section 7. Resolution Effective. This Resolution shall take effect immediately upon its passage.

Upon motion of John G. Primeau, seconded by Scott Ehrlich,
the foregoing Resolution was adopted by the following votes:

AYES: 6

NAYS: 0

Approved on August 10, 2022 as to form and legal
sufficiency by:

Bryant Miller Olive P.A., Bond Counsel

EXHIBIT "I"

TERM SHEETS



August 10, 2022

Mr. Tony Del Pozzo
The Related Group
2850 Tigertail Avenue, Suite 800
Miami, FL 33133

Re: Mortgage Loan Term Sheet (the "Term Sheet")
The Gallery at FATVillage, Fort Lauderdale FL 33311

Mr. Del Pozzo:

Grandbridge Real Estate Capital LLC ("Lender"), as a lender under the Multifamily Programs (the "Programs") of the Federal Home Loan Mortgage Corporation ("Freddie Mac"), is willing to consider a first mortgage loan to the Borrower identified below, subject to the terms, conditions and requirements set forth in this Term Sheet.

If approved by Lender and Freddie Mac, a first mortgage loan substantially in accordance with the terms set forth herein (the "Funding Loan") will be originated by TBD (the "Construction Lender") to the governmental entity set forth in the Exhibits to the Commitment (the "Governmental Lender"). The proceeds of the Funding Loan will be used by the Governmental Lender to fund a mortgage loan with economic terms matching those of the Funding Loan (the "Project Loan"; the Funding Loan and Project Loan shall be collectively referred to as the "Loan") to Borrower to finance the construction of the Project to be located on the Property. The Construction Lender will be responsible for administering the Loan during the construction phase of the Project prior to Conversion (the "Construction Phase"). The Funding Loan will be a nonrecourse obligation of the Governmental Lender secured solely by receipts and revenues from the Project Loan and the collateral pledged therefor (including a first mortgage on the Property). The date on which the Construction Lender originates the Funding Loan is referred to as the "Origination Date". Upon the satisfaction of the conditions to conversion ("Conditions to Conversion") as determined by Lender and as set forth in a forward commitment (the "Commitment") to be issued by Lender to Borrower following Lender's approval of the proposed Loan and in the Construction Phase Financing Agreement to be executed as of the Origination Date (the "Construction Phase Financing Agreement") by and between Freddie Mac, Lender, the Construction Lender and Borrower, the Project Loan will convert (the "Conversion") to the permanent phase (the "Permanent Phase") and Lender will purchase the Funding Loan from the Construction Lender. The date on which the Conditions to Conversion are satisfied and Lender purchases the Funding Loan is referred to as the "Conversion Date". The date on which Freddie Mac purchases the Funding Loan is referred to as the "Freddie Mac Purchase Date".

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Lender's obligation to purchase the Funding Loan is subject to Lender's determination that all of the Conditions to Conversion have been and remain satisfied.

1. **Borrower:** TBD ("Borrower"). The Guarantors will be PRH Investments, LLC (jointly and severally, "Guarantor"). The formation, structure and ownership of Borrower and Guarantor, if not individuals, shall be satisfactory to Lender and Freddie Mac and shall satisfy the requirements of the Programs. Unless specifically addressed in the Exhibits attached hereto, this Term Sheet is based on the assumption that Borrower does not intend to obtain or utilize preferred equity or mezzanine financing in its organizational or capital structure. Any use of Borrower of preferred equity or mezzanine financing in its organizational or capital structure must be specifically approved in writing by Lender and Freddie Mac prior to Rate Lock, and Borrower acknowledges that the requested use of any such preferred equity or mezzanine financing may result in modifications to the terms of the proposed loan, including without limitation an increase in the applicable interest rate. Except as has been disclosed in writing to and approved in writing by Lender and Freddie Mac prior to Rate Lock, no direct or indirect ownership (or other economic) interest of 25% or more in Borrower or any Borrower Principal has been marketed or sold to investors through any form of crowdfunding.
2. **Loan Amount:** \$37,470,000 (the "Loan Amount") which can increase or decrease based on Freddie Mac review and approval and full and final due diligence, and is subject to (i) a maximum 80% loan-to-value ratio and a minimum 1.20 to 1.0 debt service coverage ratio at the interest rate for the Loan and (ii) the additional terms set forth in any Exhibits attached hereto.
3. **Loan Term:** The outstanding principal balance of the Loan, plus any accrued interest and other charges, will be due and payable at the end of fifteen (15) years.
4. **Construction Phase:** The earlier of Conversion or 36 months from the Origination Date. The Construction Phase may be extended for 6 months for a fee of 80 basis points of the Loan Amount.
5. **Interest Rate:** Lender anticipates that, if Rate Lock occurs on or before January 9, 2023 (the "Spread Expiration Date"), the interest rate for the Loan Term will be based on 228 basis points (2.28%) (the "Spread") added to the yield on the most current ten (10) year U.S. Treasury security issue (the "Applicable Index") at the time of Rate Lock; however, this is subject to change until Rate Lock. The proposed Spread set forth above assumes that the yield rate on the Applicable Index will not be less than 2.49% (the "Treasury Floor") at the time of Rate Lock (hereinafter defined). If at the time of Rate Lock the Applicable Index is less than the Treasury Floor, the Spread will be increased by a corresponding amount. Interest shall be calculated based on a 360 day year and the actual number of days.

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6. **Payments:** Monthly installments of principal and interest shall be required based on the outstanding principal balance, the effective interest rate and a thirty-five (35) year amortization schedule.
7. **Prepayment:** 10-year lockout, followed by Yield Maintenance until 6 months prior to maturity. The loan is pre-payable at 1%, from months six to three before maturity. The loan is open at par for the last 90 days. If the Loan is placed into a Securitization within the first year of the Loan term, the Loan cannot thereafter be prepaid or defeased for two years following such placement of the Loan into a Securitization.
8. **Property:** The Loan shall be evidenced by the Freddie Mac Multifamily Note for the Programs (the "Note") and the Multifamily Loan and Security Agreement (the "Loan Agreement") and secured by a security interest, as evidenced by the Freddie Mac Multifamily Mortgage, Deed of Trust or Deed to Secure Debt for the Programs (the "Security Instrument"; the Note, Loan Agreement, Security Instrument and the other documents to be executed by Borrower and Guarantor to evidence and secure the Loan shall be collectively referred to as the "Loan Documents"), in the following real property, including all improvements, easements, rights and interests relating thereto, as well as an assignment of and security interest in all present and future rents, leases, income, contracts, licenses, agreements and personal property relating to the operation of the Security (the "Property"): A property upon which is to be constructed a 195 unit apartment complex (the construction of which shall be referred to as the "Project") located at 600 N Andrews, Fort Lauderdale, FL 33311 and identified as The Gallery at FATVillage. All matters relating to the Property must be satisfactory to Lender. Borrower shall not be permitted to participate in home sharing activities (which are defined as short-term rentals of typically less than one month that are marketed through peer-to-peer online marketplace or home sharing platforms such as Airbnb, VRBO, and booking.com), or to enter into leases, including master leases, of residential, corporate or commercial units that Borrower knows or should know are intended to be used by the tenants for full or part-time home sharing activities.
9. **Rate Lock:** Lender shall be required to submit a full underwriting package to Freddie Mac. Lender anticipates that, following Freddie Mac's review of the full underwriting package submitted by Lender, Freddie Mac will issue a commitment to Lender (the "Freddie Mac Commitment") containing the terms and conditions under which Freddie Mac would purchase such Loan from Lender. Lender would then issue its commitment to Borrower (the "Commitment") for the Loan. Lender must accept the Freddie Mac Commitment within the time specified therein, and would do so only after Borrower's acceptance of the Commitment and payment to Lender of all amounts required to be paid by Borrower to Lender pursuant to the Commitment, including an amount an amount (the "Commitment Fee") equal to two percent (2%) of the Loan Amount. The Commitment Fee may be a combination of (i) 1% of the loan amount in the form of a wire transfer in

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immediately available funds; (ii) 1% of the loan amount posted in the form of a letter of credit in the amount of the loan amount (the "Commitment Fee Letter of Credit"), or (iii) 1% of the loan amount in the form of a note which will secure the Borrower's obligation to Lender to pay the Commitment Fee. The Freddie Mac Commitment would also specify the time within which the interest rate for the Loan may be fixed with Freddie Mac ("Rate Lock"). Upon Rate Lock, Lender will be obligated to deliver the Loan to Freddie Mac by the date specified in the Commitment (the "Mandatory Delivery Date"). The closing of the Loan must be completed at least fifteen (15) days prior to the Mandatory Delivery Date. The Commitment Fee shall be refunded to Borrower following the Freddie Mac Purchase Date. The Commitment shall contain the provisions set forth in the Exhibits attached hereto relating to the Breakage Fee and the retention and application of the Commitment Fee to the Breakage Fee upon the occurrence of a Default (as such terms are defined in the Exhibits).

10. **Origination Fee:** An Origination Fee 0.75% of the Loan Amount shall be paid by Borrower to Lender on the Origination Date.
11. **Expense Deposit:** A total of \$61,554 shall be due and payable to Lender upon Borrower's acceptance of this Term Sheet. This represents an Expense Deposit of \$25,000 and the Freddie Mac Application Fee equal to the greater of \$3,000 or 0.1% of the Loan Amount. The Expense Deposit will be applied towards the cost of the third party reports, legal fees and other out-of-pocket expenses incurred by Lender in connection with the Loan as well as Lender's \$1,500 Processing Fee. The Processing Fee and the Freddie Mac Application Fee shall be earned and non-refundable upon acceptance of this Term Sheet. Lender shall refund to Borrower any unused portion of the Expense Deposit.
12. **Additional Fees:** Borrower shall also pay to Lender for the benefit of Lender and/or Freddie Mac (i) a Standby Fee of 10 basis points (0.10%) of the Loan Amount per annum for each year (or partial year on a prorated basis) of the Construction Phase, (ii) a Construction Monitoring Fee per month of the Construction Phase to be paid out of construction draws, and (iii) a Conversion Fee of \$10,000 upon Conversion.
13. **Liability:** The Loan shall be non-recourse. However, Borrower and Guarantor shall be fully liable for the matters described in Section 9 of the Note and for any other matters which may be specifically required by Freddie Mac.
14. **Third Party Reports:** Lender shall obtain a full narrative appraisal report, a Phase I environmental report, an engineering report and a zoning report on the Security. Borrower shall cooperate with such third parties during the preparation of the reports. Lender makes no representations or warranties of any kind regarding such reports, and Borrower agrees to hold Lender harmless from any responsibility for the accuracy or completeness of any such report and to indemnify Lender from any claims or liability

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relating to any use by Borrower of such reports or any information contained in such reports.

15. **Reserves and Escrows:** Borrower shall deposit into a non-interest bearing reserve with Lender with each monthly payment during the term of the Loan an amount determined by Lender and Freddie Mac based on the engineering report to be obtained by Lender for future repairs or replacements to the Security. Borrower shall deposit into a non-interest bearing reserve with Lender at closing an amount equal to 125% of the engineer's cost estimates for the immediate repairs and replacements to the Security identified in the engineering report referenced hereinabove. Borrower shall also establish with Lender non-interest bearing escrows for the payment of taxes and insurance premiums relating to the Security, and shall pay to Lender on a monthly basis additional sums for deposit into such escrows as may be required by Lender.
16. **Loan Documents:** The Loan shall be evidenced by the Loan Documents to be executed by Borrower and Guarantor and such other documents to be executed by Borrower and Guarantor as may be required by Lender and Freddie Mac pursuant to the Programs, subject to any modifications described in the Exhibits or as otherwise required by Freddie Mac. The forms of the Loan Documents for the Programs are available for review by Borrower at freddiemac.com.
17. **Title Insurance:** Prior to closing, Lender shall obtain a commitment for the issuance of a title insurance policy from a title insurance company acceptable to Lender, which title commitment is satisfactory in form, substance and amount to Lender. The title insurance policy shall insure the interests of Lender created by the Loan Documents as a lien on the Property, and shall contain such exceptions as may be approved and such endorsements as may be required by Lender.
18. **Survey:** Prior to closing, Borrower shall furnish an as-built survey of the Property prepared within ninety (90) days of closing by a licensed surveyor or engineer in accordance with Lender's survey requirements. All matters relating to the survey and to the boundaries, configuration and description of the Property shall be satisfactory to Lender.
19. **Loan Sale and Securitization:** This Loan will be closed and funded by Lender and sold by Lender to Freddie Mac pursuant to the terms and conditions set forth in the Programs. Borrower acknowledges that Borrower will be obligated to satisfy the requirements set forth in the Commitment for the Loan to be closed and sold to Freddie Mac pursuant to the Programs. Borrower further acknowledges that Freddie Mac may place the Loan into a securitization (a "Securitization"), and Borrower agrees to take all actions as may be reasonably required by Lender and Freddie Mac to facilitate the placement of the Loan into a Securitization pursuant to the Programs.

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- 20. Bearing of Costs:** Borrower agrees to pay at or before closing all taxes and assessments on the Security due within thirty (30) days of the closing, and all recording fees, registration taxes, title insurance premiums, appraisal expenses, reasonable attorney fees, insurance review expenses, engineering and environmental report expenses, survey expenses, flood hazard determination expenses, tax service contract expenses and other expenses incurred by Lender in connection with the negotiation, preparation and closing of the Loan and any subsequent disbursements, regardless of whether the proposed Loan closes. Borrower also agrees to pay all costs of collection or enforcement, including reasonable attorney fees, relating to Borrower's obligations under this Term Sheet or any amounts now or hereafter owed by Borrower.
- 21. Opinion of Borrower's Counsel:** Borrower shall provide Lender with a written opinion of counsel for Borrower which is satisfactory to Lender.
- 22. Insurance:** Borrower shall furnish and maintain policies of all risk fire and extended coverage hazard insurance covering the Property and the operation thereof. Such insurance shall be for 100% of replacement value, and shall include liability coverage, worker's compensation and employer's liability coverage, law and ordinance coverage, loss of rents coverage and other coverages in such forms and amounts and with such carriers as may be required at any time by Lender. Borrower shall also furnish and maintain flood insurance satisfactory to Lender for any structures at the Property which are determined to be in a special flood hazard area. Borrower shall also provide Lender with a termite inspection report or termite bond for the Property which is satisfactory to Lender.
- 23. Permits, Licenses and Approvals:** Prior to closing, Borrower shall provide Lender with copies of all permits, licenses, certificates of occupancy, approvals, franchises and other rights or agreements necessary for the lawful occupancy and operation of the Property. The Property and its use shall comply fully with all applicable laws and requirements. Lender shall not be expected to make an independent investigation of such evidence, and approval shall not be deemed to imply that Lender has concurred in its accuracy. Lender shall also obtain a zoning report at Borrower's expense confirming that the current use of the Property is a legal usage as determined by such authorities and that Borrower would be permitted to repair and restore the Property following a casualty. All matters relating to the zoning of the Property shall be satisfactory to Lender.
- 24. Financial Certification:** This Term Sheet is conditioned on the receipt and approval by Lender prior to closing of such financial statements and credit information on Borrower, Guarantors and their respective affiliates as Lender may require, which are to reflect no material adverse conditions. If Lender determines prior to closing that there has been a misrepresentation or omission in connection with such information or a material adverse change in the financial conditions of any such person or entity or in the circumstances which supported the underwriting of the Loan, then Lender shall have no obligation to

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close or fund the proposed Loan. Borrower shall deliver to Lender prior to closing and on a quarterly basis during the Loan term current certified rent rolls, operating statements and financial statements in form satisfactory to Lender, and Guarantors shall deliver to Lender prior to closing and on an annual basis during the Loan term current certified financial statements in form satisfactory to Lender.

25. **Management Agreements:** Borrower shall provide Lender with certified copies of any management and leasing agreements relating to the Property and shall also provide Lender with requested information on the management company and individuals responsible for the management of the Property. All matters relating to the management of the Property shall be satisfactory to Lender. All management and leasing agreements shall be subordinated to the Loan.
26. **Pending or Threatened Litigation:** Prior to closing, Borrower shall notify Lender in writing of any foreclosures, lawsuits or other legal actions filed or threatened against Borrower, Guarantors or any of their respective affiliates, or relating to the Property. Borrower agrees that all relevant information relating thereto shall be provided to Lender, and that Lender shall have no obligation to close the Loan if in Lender's opinion any material adverse legal matters exist.
27. **Environmental Matters:** The Property shall be inspected by an independent engineer selected and retained by Lender, who shall issue a report at Borrower's expense relating to the environmental condition of the Property. Lender's obligation to close and fund the Loan is conditioned on Lender's satisfaction with all matters relating to the environmental report and the environmental status of the Property, and may be further conditioned upon such additional requirements regarding environmental matters, including without limitation the performance at Borrower's expense of additional audits or tests, as Lender may require. If recommended by the environmental report, Borrower shall provide Lender at Borrower's expense with operations and maintenance plans regarding asbestos, lead-based paint and/or mold and moisture control (the "O&M Plans"). Borrower agrees to implement the O&M Plans within one month of closing and to abide by the O&M Plans during the Loan term. Borrower shall certify to Lender at closing that, subject to any matters reflected in the environmental report, the Property has not been affected by hazardous materials and is in compliance with all applicable environmental laws. Borrower and Guarantors shall indemnify, defend and hold Lender harmless from and against any and all claims, liabilities, damages and expenses relating to any and all such matters.
28. **Transfers:** Transfer of interests in Borrower or Guarantor, if not individuals, or the Property, and any proposed assumption of the Loan shall be governed by the provisions of the Loan Documents.
29. **Additional Conditions:** See Exhibits attached.

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- 30. Miscellaneous:** Borrower acknowledges that this Term Sheet reflects the terms and conditions under which Lender is willing to consider the proposed Loan described herein but that Lender shall have no obligation to close or fund the Loan unless and until Lender has completed its underwriting and due diligence review of the proposed Loan and has issued a Commitment for such Loan and Borrower has accepted such Commitment and complied with the terms and conditions thereof. Borrower further acknowledges and agrees that (i) the relationship between Borrower and Lender is that of a borrower and lender and that no other relationship exists between Lender and Borrower or its direct or indirect owners or affiliates, (ii) Lender is not and shall not become the agent or fiduciary of Borrower or its direct or indirect owners or affiliates, and (iii) nothing contained in this Term Sheet or in any commitment which may be issued by Lender for the proposed Loan or done in connection therewith shall constitute or be deemed to evidence any such agency or fiduciary relationship. Borrower agrees to pay all reasonable costs and expenses incurred in connection with this Term Sheet or the proposed Loan, including without limitation reasonable attorney fees, brokerage fees incurred by Borrower, third party report expenses and closing costs. Borrower shall provide Lender with all information and documents required to underwrite this Loan request. Borrower and Guarantor authorize Lender to obtain any credit reports or any financial information which Lender deems necessary in connection with this Term Sheet. Borrower and Guarantor hereby grant Lender the exclusive right to provide financing for the Property for a period of 90 days from their acceptance of this Term Sheet. The parties hereto, on behalf of themselves and their respective affiliates and assigns, hereby waive any right to trial by jury with respect to any matters arising out of or in connection with this Term Sheet or the proposed Loan.
- 31. Right to Obtain Reasons for Denial of Credit:** If your application for business credit is denied, you have the right to a written statement of the specific reasons for this denial. To obtain the statement, please contact the Grandbridge Compliance Department at Compliance@grandbridge.com within 60 days from the date you are notified of our decision. We will send you a written statement of reasons for the denial within 30 days of receiving your request for the statement. NOTICE: The federal Equal Credit Opportunity Act prohibits creditors from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, marital status, age (provided the applicant has the capacity to enter into a binding contract); because all or part of the applicant's income derives from any public assistance program; or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act. The federal agency that administers compliance with this law concerning this creditor is the Bureau of Consumer Financial Protection, 1700 G Street NW, Washington, DC 20006.
- 32. Customer Identification Program Notice/ Important Information about Procedures for Loan Origination:** To help the government fight the funding of terrorism and money laundering activities, federal law requires all financial institutions to obtain, verify and

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Wiring Instructions

Bank Name	Truist Bank Formerly known as Branch Banking and Trust Company (BB&T)
ABA #	053101121
Account #	5296884563
Account Name	GBRE Third Party Escrow Account
Address	200 S. College Street, Suite 2100 Charlotte, NC 28202
Reference	The Gallery at FATVillage, Freddie Mac, Justin Ginsberg
Notify	GB-Treasury Ops (GB-TreasuryOps@grandbridge.com or 704-332-4454)
	Contact Manager: Shasta Vance @ 304-257-6492

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Exhibit A

1. Minimum guarantor net worth and liquidity of 10% and 1% of Loan Amount, respectively. Entity guarantor must have 2x the requirements if financial covenants and material adverse change clause is not included.
2. Issuer and TEL related fees should be included in underwritten operating expenses.
3. Freddie Mac compliant Unsubordinated Ground Lease with 75-Year Term.
4. Commercial GPR < 25% of total GPR and Commercial Net Rentable Area < 25% of Property's total Net Rentable Area.
5. Expenses and economic vacancy to be supported by appraisal and comps.

Spread Adjustment

K-F000 Series Class A-2 Spread	Publication Date
0.92%	08/01/2022

If, at the time of Spread Lock, the spread for Freddie Mac's K-F000 Series 10-year Fixed Rate Class A-2 Certificates ("K-F000 Series Class A-2 Spread") published on the K-Series Spread Reference Page exceeds the K-F000 Series Class A-2 Spread stated above by more than 25 basis points (0.25%), Freddie Mac reserves the right to increase the Spread quoted above (the "Quoted Spread") by an amount to be determined by Freddie Mac in its sole discretion, but the Quoted Spread will not be increased by Freddie Mac under these provisions if, at the time of Spread Lock, the K-F000 Series Class A-2 Spread published on the K-Series Spread Reference Page exceeds the K-F000 Series Class A-2 Spread stated above by 25 basis points (0.25%) or less. The K-Series Spread Reference Page can be found at <https://mf.Freddie.com/lenders/uw/> under the "Quick Links" header, and is designated for K-F000 Series Class A-2 Spread publication. These provisions will only apply prior to Spread Lock.

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Exhibit B
Breakage Fee Provisions

If the loan is approved by Lender, the following provisions will be included in the Commitment issued by Lender to Borrower:

1. Breakage Fee

Borrower and [Guarantors] [_____] (referred to herein as "**Breakage Obligor**") each acknowledges that Lender is executing this Commitment with Borrower ("**Lender Commitment**") in reliance on the agreement of the Federal Home Loan Mortgage Corporation ("**Freddie Mac**") to lock the applicable Spread for the interest rate ("**Interest Rate Lock**") for the Mortgage and enter into a Commitment to purchase the Mortgage ("**Freddie Mac Commitment**").

Borrower and Breakage Obligor each further acknowledges:

- (a) In connection with the Interest Rate Lock, Freddie Mac will enter into one or more "hedge" transactions ("**Hedge**") in which it will incur trading costs ("**Hedging Costs**").
- (b) If Freddie Mac is forced to liquidate its Hedge and unwind the Interest Rate Lock because of a Default (as defined below), Freddie Mac could incur Hedge losses ("**Hedging Losses**"). The Hedging Costs and the Hedging Losses are referred to collectively as the "**Breakage Fee**"). In such event, Lender will be obligated to pay Freddie Mac the Breakage Fee determined as set forth in the Section entitled "Determination of Breakage Fee" below.
- (c) Upon a Default, Lender intends to pay to Freddie Mac any good faith deposit Lender has collected under this Lender Commitment ("**GFD**"). Any GFD collected by Lender is a deposit for, and not in full satisfaction of, the payment of the Breakage Fee, and the Breakage Fee may exceed the amount of the GFD.
- (d) Upon a Default, Lender also intends to assign to Freddie Mac the Borrower's and Breakage Obligor's obligation pursuant to this Lender Commitment to pay Lender the Breakage Fee ("**Assignment**"). Pursuant to the Assignment, Freddie Mac will be entitled to collect from Borrower and Breakage Obligor any portion of the Breakage Fee that exceeds the GFD.

2. Default under Lender Commitment

Borrower and Breakage Obligor each acknowledges that if after Interest Rate Lock any of the following occurs (each, a "**Default**"), Borrower and Breakage Obligor will be liable to Lender for the payment of the Breakage Fee.

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- (a) Borrower fails to execute and return Exhibit A to this Lender Commitment by the date specified in the Lender Commitment.
- (b) Borrower breaches the terms of the Lender Commitment and as a result of such breach, Lender is in breach of its obligations under the Freddie Mac Commitment.

3. Determination of Breakage Fee

Notwithstanding anything in the Freddie Mac Guide to the contrary, the Breakage Fee will be the greater of (A) or (B) below, but will in no event exceed 3.0% of the Rate Locked Mortgage Amount:

- (A) 0.5% of the Rate Locked Mortgage Amount; or
- (B) the product obtained by multiplying:
 - (1) the Rate Locked Mortgage Amount

by

 - (2) the value obtained by subtracting
 - a. the Monthly Yield Rate at Breakage less 1.1250 basis points

from

 - b. the Monthly Applicable Yield Rate at Rate Lock

by
 - (3) the Present Value Factor

For purposes of this Section the following definitions will apply:

Breakage Date: the earliest to occur of (i) the date the Borrower notifies Lender or Freddie Mac in writing that it will not or cannot originate the Mortgage, (ii) the date Lender notifies Freddie Mac in writing of its inability to deliver the Mortgage, or (iii) the Mandatory Delivery Date

Rate Locked Mortgage Amount: the amount of the Mortgage set forth in Exhibit A

Yield Rate at Breakage: As of the close of the trading session on the Breakage Date, the yield rate with a maturity equal to the term of the Index set forth in

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Exhibit A, found among the Daily Treasury Yield Curve Rates, commonly known as the Constant Maturity Treasury (CMT) rates, as reported on the U.S. Department of the Treasury website.

The Yield Rate at Breakage will be expressed as a decimal to two digits.

If no published CMT maturity matches the term of the Index, Freddie Mac will interpolate as a decimal to two digits the yield rate between (i) the CMT with a maturity closest to, but shorter than, the term of the Index, and (ii) the CMT with a maturity closest to, but longer than, the term of the Index, as follows:

$$\left[\left(\frac{B-A}{D-C} \right) \times (E-C) \right] + A$$

- A = yield rate for the CMT with a maturity shorter than the term of the Index
- B = yield rate for the CMT with a maturity longer than the term of the Index
- C = number of months to maturity for the CMT maturity shorter than the term of the Index
- D = number of months to maturity for the CMT maturity longer than the term of the Index
- E = number of months in the term of the Index

In the event the U.S. Department of the Treasury ceases publication of the CMT rates, the Yield Rate at Breakage will equal the yield rate on the U.S Treasury security which is not callable or indexed to inflation and which has a maturity closest to (but not shorter than) the term of the Index.

The selection of an alternate security pursuant to this Section will be made in Freddie Mac's discretion.

Monthly Yield Rate at Breakage: the Yield Rate at Breakage divided by 12

Applicable Yield Rate at Rate Lock: the "Actual Index Rate at Rate Lock" set forth in Exhibit A.

Monthly Applicable Yield Rate at Rate Lock: the Applicable Yield Rate at Rate Lock divided by 12

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Present Value Factor: the factor that discounts to present value the costs resulting to Freddie Mac from the difference in the Applicable Yield Rate at Rate Lock and the Yield Rate at Breakage calculated using the following formula:

$$\frac{1 - (1 + r)^{-n}}{(r)}$$

r = Monthly Yield Rate at Breakage

n = the number of months in the Mortgage term (set forth in Exhibit A)

4. Obligation to Pay Breakage Fee; Payment of GFD

If there is a Default, Lender will be liable to Freddie Mac, and Borrower and Breakage Obligor will be liable to Lender, for the Breakage Fee. The liability of each person and/or entity constituting Borrower and Breakage Obligor for the Breakage Fee will be joint and several. Upon a Default, Lender will pay the GFD to Freddie Mac, who will apply the GFD towards the Breakage Fee.

5. Assignment to Freddie Mac of Obligation to Pay Remaining Breakage Fee

Upon a Default, Lender will also effectuate the Assignment, pursuant to which Borrower and Breakage Obligor will be obligated to pay to Freddie Mac any portion of the Breakage Fee that exceeds the GFD. Borrower and Breakage Obligor each consents to the Assignment. Borrower and Breakage Obligor each acknowledges that the Assignment will in no way alter or diminish Borrower's or Breakage Obligor's other obligations to Lender under this Lender Commitment; provided, however, to the extent that Borrower and/or Breakage Obligor has paid the Breakage Fee to Freddie Mac directly, Lender will not be entitled to collect such fee. Borrower and Breakage Obligor each confirms and acknowledges that if the Breakage Fee becomes due, pursuant to the Assignment, Freddie Mac may demand that Borrower and Breakage Obligor pay the Breakage Fee directly to Freddie Mac and Freddie Mac will not be required to pursue its remedies first against Lender.

6. Waiver of Right to Assert Defenses

By execution of this Lender Commitment, Borrower and Breakage Obligor each waives, to the fullest extent permitted by applicable law, the right to assert against Freddie Mac as assignee of Lender, any claim or defense to the claim assigned that arises out of transactions or relationships between Borrower and Lender and/or between Breakage Obligor and Lender, including claims or defenses for fraud or set-off. By execution of this Lender Commitment, Borrower and Breakage Obligor each acknowledges and agrees that this waiver is entered into knowingly and voluntarily with the benefit of competent legal counsel.

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7. Waiver of Right to Contest Liquidated Damages

By execution of this Lender Commitment, Borrower and Breakage Obligor each waives, to the fullest extent permitted by applicable law, any defense as to the validity of any liquidated damages set forth in this Lender Commitment on the grounds that such liquidated damages are void as penalties or are not reasonably related to the actual damages. By execution of this Lender Commitment, Borrower and Breakage Obligor each acknowledges and agrees that this waiver is entered into knowingly and voluntarily with the benefit of competent legal counsel.



August 10, 2022

Mr. Tony Del Pozzo, VP of Finance
The Related Group of Florida
2850 Tigertail Avenue
Miami, FL 33133

**Re: The Gallery at FATVillage
 600 North Andrews Avenue
 Fort Lauderdale, Broward County, FL 33304**

Dear Mr. Del Pozzo:

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

Facilities: JPMorgan Chase Bank NA (“JPMC”) will purchase tax exempt bonds up to the amount of **\$42,580,000** to be issued by the Broward County Housing Finance Authority (“Issuer”), the proceeds of which will fund construction and permanent loans to the Borrower. It is anticipated that, upon meeting the conditions required for the permanent period, the JPMC Construction Loan will be paid off with available equity and a Permanent Loan from Grandbridge RE Capital/Truist as a Freddie DUS Lender.

Borrower: Related FATVillage, LLC

Manager/Member: Related FATVillage Manager, LLC

Developer: Related FATVillage Developer, LLC

Project: The Gallery at FATVillage is a proposed 12-story tower that will include a 195-unit development with 147,750 of leasable square feet and 2,500 square feet of retail space. The building will be equipped with amenities including a gym, resort-style pool, suntanning deck, gathering room and leasing office. The units will include Energy Star stainless steel appliances, expansive kitchens, balconies at all units, chrome plumbing fixtures, and high-speed internet. The parking garage includes 226 spaces in a 4-level structure. The site is approximately 1.178 acres (51,000 sf) on the corner of North Andrews Avenue and N.E. 6th Street. The site has been vacant since 2009 when the previous structure was demolished. The Owner entered a 75-year ground lease with Broward County in December of 2017. The lease is contingent on obtaining financing for the project and will have

JPMorgan Chase Bank, N.A. • 100 N Tampa Street, Suite 3300, Tampa, FL 33602
Telephone: 813.509-1194; tammy.haylock-moore@chase.com

an affordability covenant that restricts a portion of the units. There are 39 units restricted at 50% AMI, 111 units at 120% AMI and 45 units at 140% AMI.

Amount: Up to \$42,580,000; subject to final budget, sources and uses of funds, and LIHTC equity pay-in schedule.

Initial Term: 42 months.

Interest Rate: One-Month Adjusted Term SOFR + 195 bps. (4.25% as of August 10, 2022)

Commitment Fee: .50% of the loan amount.

Extension Option: One, conditional, six-month maturity extension.

Extension Fee: 0.125% of the sum of the loan balance and the amount remaining of the original commitment. If extension options are taken, the Permanent Loan portion of the outstanding principal balance will convert to the Permanent Loan Bond Rate.

Conditions to Extend: This Option is subject to (i) no default, (ii) CO received (iii) All equity required as of the date of such extension has been contributed (iv) No material adverse change has occurred in the financial or other condition of Borrower, any Guarantor or the Project; and (v) 90% stabilized occupancy and (vi) 1.15x DSC (vii) Any other required conditions set forth in the Facility Documents.

Collateral: First mortgage; other typical pledges and assignments.

Guarantee: Full payment and completion guarantees and environmental indemnity by the General Partnership, Developer(s) as well as “Key Principal” PRH Investments, LLC.

Developer Fee: Assigned to Lender. Notwithstanding provisions of the LP or LLC Agreement, any payments of developer fee prior to permanent debt conversion are subject to Lender's prior approval.

Tax Credit Equity: At least 15% must be paid in at closing. The identity of the equity investor and pay-in schedule for this transaction must be disclosed and acceptable to the Lender in its sole discretion.

Subordinate Liens: Subordinate financing will be permitted subject to approval of terms by JPMorgan Chase.

Repayment: Construction Loan will be repaid from equity funded up to and including conversion to the Permanent Loan and from the Permanent Loan.

Loan to Value: Up to 80% including the value of the real estate and low income housing tax credits.

Contract Bonding: 100% Payment and Performance Bonds from “A” rated surety

Financial Covenants: PRH Investments, LLC will be required to maintain aggregate levels of liquidity in cash or cash equivalents and net worth, the minimum amounts of which are

subject to credit approval, and measured annually based on year-end financial statements.

We appreciate the opportunity to discuss with you the possibility of providing construction financing for the proposed project. This letter of interest is for your, Issuer, and the tax credit allocating agency's information and use only, and is not to be shown to or relied upon by other parties. **Please note, credit markets are volatile. Loan fees and interest rates are subject to adjustment prior to Construction Loan Closing.** JPMorgan Chase and its affiliates may be providing debt financing, equity capital or other services (including financial advisory services) to other companies in respect of which you may have conflicting interests regarding the transaction described herein or otherwise. JPMorgan Chase and its affiliates may share information about you in connection with the potential transaction or other possible transactions with you.

This letter, which expires December 31, 2022 serves as an outline of the principal terms of the proposed facility, and is subject to receipt and satisfactory review of all due diligence materials by Lender and to change as described above. JPMorgan Chase Bank N.A. cannot extend any legally binding lending commitment until formal credit approval has been obtained and a commitment letter has been issued.

Very Truly Yours,

JPMORGAN CHASE BANK, NA



Tammy Haylock-Moore, Authorized Signor