



December 4, 2019

Mr. Ralph Stone, Director
Housing Finance & Community Redevelopment Division
110 North East 3rd Street, Suite 300
Fort Lauderdale, FL 33301

***Subject: The Gallery at FATVillage - 600 North Andrews Avenue
Request to Extend Agreement***

Dear Ralph,

Please accept this letter as our formal request to extend the Commencement Date set forth in the Ground Lease, dated December 12, 2017, from December 31, 2019 to December 31, 2020. Please refer to the attached Development Schedule. This extension request is conditioned upon the mutual agreement to increase the lease term from 60 to 75 years. The affordability period would also be extended to be co-terminus with the Ground Lease.

Related Urban has been working through financing terms with Bank of America, who has expressed a strong desire to provide both debt and equity to the project through its Workforce Housing Initiative. Bank of America has indicated that increasing the lease term to 75 years is important to avoid limiting the potential take-out options for their construction financing, which would have an adverse impact on the loan terms they will provide. We expect term sheets from Bank of America within the next two weeks.

Under the proposed financing structure, Bank of America would provide a construction loan for 70% of the development costs of the project. The remaining 30% will be funded with a combination of Bank of America and Related corporate equity. The percentages are still being negotiated. We have also been in discussions with SunTrust to provide a Freddie Mac forward commitment for the permanent financing on the project. Freddie Mac has a loan product specifically geared for workforce housing that we plan on utilizing.

During our October meeting with Clarence Woods, CRA Manager for the Northwest-Progresso-Flagler Heights CRA, he indicated that the CRA has extended many funding commitments. However, he expressed a desire to fund this project, should funding become available. Related



Urban will continue to follow up with the CRA to explore additional funding opportunities for this development.

In addition, Related Urban has revised its development plan for the site, which we have previously shared with you and other County staff, to substantially limit the variances required from City of Fort Lauderdale. We have had a meeting with City planning staff and the plan was received very favorably. We are confident that the revised plan will expedite the approval process, ultimately enabling us to close on our financing in a timely manner.

We remain committed to this project and look forward to bringing it to fruition. Please contact me if you have any questions or require additional information. Thank you for your assistance.

Sincerely,

A handwritten signature in blue ink that reads "Tony Del Pozzo".

Tony Del Pozzo
Vice President

Cc: Glenn Amoruso

**The Gallery at FATVillage
Development Schedule**

Task	Start Date	Completion Time
	(in Months starting Jan-20)	
Schematic Designs	Complete	Complete
Site Plan Approval	Month 1	Month 6
<i>Preliminary Site Plan Meeting with City Staff</i>	<i>Complete</i>	<i>Complete</i>
<i>Submit Application for Site Plan</i>	<i>Month 1</i>	<i>Month 2</i>
<i>Traffic Methodology Meeting</i>	<i>Month 2</i>	<i>Month 2</i>
<i>DRC Meeting for Site Plan</i>	<i>Month 3</i>	<i>Month 3</i>
<i>Public Participation Meetings Address DRC Comments to Site Plan and Traffic Study</i>	<i>Month 3</i>	<i>Month 4</i>
<i>Circulate Alley Vacation for Pre- PZB Sign-Offs and Site Plan for DRC Sign-Offs</i>	<i>Month 3</i>	<i>Month 4</i>
<i>Approval of Planning and Zoning minutes, submittal to City Commission for Site Plan (unit allocation)</i>	<i>Month 4</i>	<i>Month 5</i>
<i>City Commission Hearing – Site Plan Approval</i>	<i>Month 5</i>	<i>Month 6</i>
Construction Drawings	Month 5	Month 8
Submit Plans and obtain Building Permit	Month 8	Month 12
Close on Construction Financing	Month 12	Month 12
Begin Construction	Month 12	Month 12
Complete Construction	Month 30	Month 30
Pre-Leasing	Month 27	Month 30
Lease-Up	Month 30	Month 36
Stabilization	Month 36	Month 39
Close on Permanent Financing	Month 40	Month 40