

WALKER & DUNLOP

March 22, 2017

TO: Affiliated Development
ATTN: Mr Jeffrey Burns, Founder & CEO
4 W. Las Olas Blvd., Suite 106
Fort Lauderdale, FL. 33301

RE: THE SIX13, A 142-UNIT DEVELOPMENT IN FORT. LAUDERDALE, FL (THE "PROPERTY")

Dear Mr. Burns:

Please be advised that Walker & Dunlop LLC ("WD") intends to provide construction and permanent financing in connection with the above referenced Property subject to the conditions outlined below. This letter 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:

Property: The SIX13 Apartment Residences,
613 NW 3rd Avenue, Fort Lauderdale, Florida

Borrower: 613 NW 3rd Ave, LLC, The structure and all members of the
borrowing entity must be acceptable to WD.

Guaranty: The construction and permanent loan (described below) is non-
recourse, except for standard loan carve-outs.

Loan Amount¹: Construction \$28,096,400.00
 Permanent \$28,096,400.00

Construction and
Permanent Interest
Rate: 4.25% plus MIP of 0.25%

Term/Amortization: Construction length of construction schedule
 Permanent 40 years (plus the construction period)
 Amortization 40 years (interest only during construction)

Prepayment: Subject to standard HUD prepayment terms and determined at the
time of rate lock.

¹ Permanent Loan sizing based upon a minimum 1.18x debt service coverage ratio based upon WD underwriting and using a maximum loan to cost of 85% of HUD mortgageable costs.

Finance Fees: Will not exceed 1.0% of the construction loan amount payable at closing.

Security: First mortgage lien on the Property (Construction and Permanent)

Closing Costs: Borrower will pay all closing costs related to the closing of the construction and permanent loans including, but not limited to legal, title, survey, architectural, other necessary third party reports and out of pocket expenses.

Conditions to funding
Construction Loan:

Receipt by WD of the HUD Firm Commitment for insuring the loan in accordance with HUD Section 221(d)(4) guarantees, accepted by WD and Borrower of the HUD Firm Commitment, review and approval of final loan documents and satisfaction of all conditions in the Commitment to provide guarantees satisfactory to WD in its sole and absolute discretion, prior to Construction Loan closing ("Initial Endorsement").

Final acquisition of land and building.

WD review and approval of complete drawings and/or specifications.

WD review and approval of firm cost estimates.

WD review and approval of the Environmental Report.

If applicable, any subsidy loans or grants shall be fully committed at the time of Initial Endorsement.

Conditions of
Conversion to
Permanent Loan:

Borrower has satisfied all conditions in the WD and HUD Firm Commitments as required by the Loan Documents and the MAP Underwriting Guidelines for Permanent Loan Conversion ("Final Endorsement").

Satisfactory evidence to WD that there is no adverse material change in the credit or financial condition of the Borrower from the date of issuance of the letter and the time of Final Endorsement.

Contact: Thomas J. Sigrist, SVP, Walker & Dunlop LLC
2425 East Camelback Road, Suite 785
Phoenix, Arizona
Telephone: (602) 812-4450

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

The loan will be structured as a first mortgage and will be required to conform to all provisions of Section 221(d)(4) of the National Housing Act and the Regulations in effect at the time of the FHA Commitment to insure the loan, and in effect at the time the loan is closed.


WD is an approved MAP lender under FHA and as such is able to provide the construction and permanent loan to be insured by FHA. This commitment for the loan on the Property is subject to HUD issuing their firm commitment to insure the loan and is in compliance with the FHA MAP Underwriting Guidelines. Because we are aware of no issues which would preclude a favorable resolution of the pre-conditions, we would expect a timely closing of the loan. Notwithstanding anything herein to the contrary, this letter will expire if the loan has not closed by June 30, 2018.

Please indicate your acceptance below of these proposed terms by March 28, 2017.

Thank you for the opportunity to serve your financing needs in connection with this property. We look forward to working with you again.

Walker & Dunlop LLC

By:


Thomas J. Sigrist
SVP

Agreed to and accepted this _____ day of March, 2017.

BORROWER:

By: 613 NW 3rd Ave LLC

By: _____

Name: Jeffrey Burns

Title: Founder & CEO

THE SIX13

W&D