

Sample RFP Proposal 'C'

February 17, 2012

Land Resource Division
Department of Housing and Community Development
417 East Fayette Street
Room 1001
Baltimore, Maryland 21202

RE:

Dear _____:

On behalf of _____ we are thrilled to submit our proposal to redevelop the houses being offered by Baltimore City. This opportunity will afford us the ability to strengthen our commitment to this community in context with our original vision of being a neighbour and not a guest. Since we bought and redeveloped _____ we have been actively engaged in the community and see ourselves as partners in making Remington a great place to live and work.

Our proposal follows your format completely and provides a full picture of our development plans.

Thanking you in advance.

Very truly yours,

Remington Avenue RFP

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Commitment to Community Participation

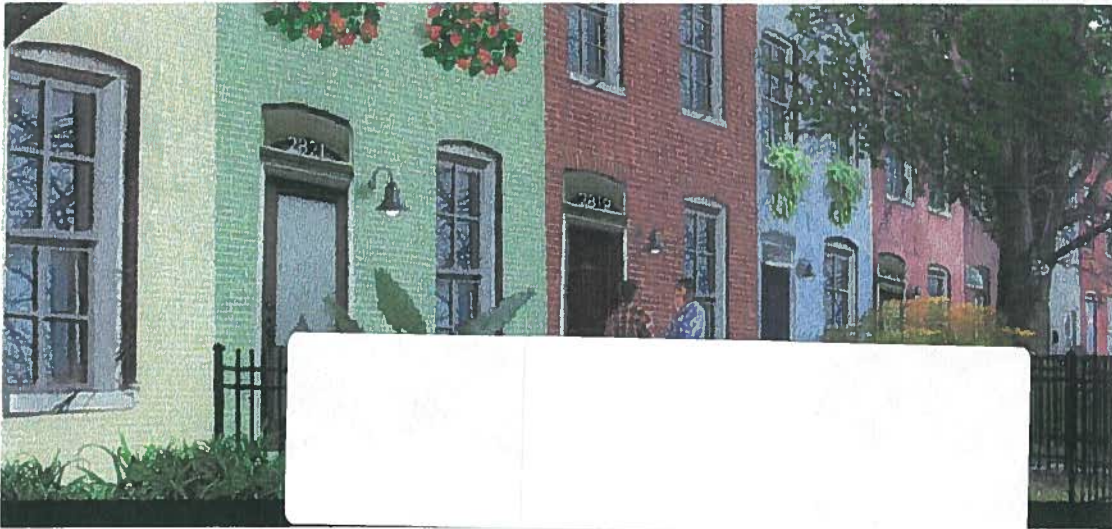
Examples Narrative

- Support letter from Remington Neighborhood Alliance (RNA)

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TAB A



DEVELOPMENT CONCEPT

Development Concept

Overall our concept is to fully redevelop ten long-vacant historical properties (nine from this RFP and the one we own at _____ Remington Avenue) into affordable owner-occupied homes for individuals and families. Our primary markets are individuals and families who are positively impacting Baltimore, including teachers, principals, non-profit employees, fire fighters, police officers, municipal employees and college/university employees.

Because of the significant number of vacant homes on this block, we will design them with the input of the neighbors and construct them—so the block can be seen as a community of homes and not individual houses. The rendering and floor plans that are part of this response clearly demonstrate this concept.

This concept extends an existing commitment to the neighborhood. In 2007, _____ purchased the long-vacant warehouse at the corner of Howard and 26th Streets and set out to change the landscape of the neighborhood by turning it into a vibrant, 24-hour mixed-use project. With a \$ _____ investment, this long-forgotten corner has become a hub of activity that now features apartments for teachers, community meeting space, a massive center courtyard for gatherings, office space for nonprofits and a corner cafe. *It was our intent from the outset to find additional opportunities to bring additional value to the neighborhoods and be seen as neighbors and not guests.*

Since _____ as the project is called, opened its door in 2009 there has been a subtle and encouraging shift in the area. A coffee shop, a bakery and a restaurant have opened within a block of each other. Houses along Howard Street have been repainted in funky Charles Village colors, and planter boxes with beautiful flowers have been built along the street. Young families push strollers, and there is a general sense of improvement and wellbeing. More young people are buying houses and raising families, and community groups are strategically planning the success of the neighborhood.

In addition to these encouraging changes, the campus of Johns Hopkins University and the Baltimore Museum of Art are five short blocks away and

serve as strong assets for the area. Both institutions have recently recommitted themselves to partnering with the community in reaching their mutual goal of having Remington be a great place to live, work, play and raise a family.

As neighbors, we are pleased by the progress, and we are also well aware that there is more to accomplish. There are a number of houses (at least 100), within a four-block radius between 26th Street and Johns Hopkins that, if redeveloped, could significantly increase the overall value of the community.

Our strategy is to create long-term value and continue the transformation process in Remington by purchasing vacant “shells” and other poorly-kept units. To date we have bought six vacant houses, including one in the block of Remington Avenue, and are in serious negotiations for another ten (outside of this proposal). Construction on the first series of homes will begin in early March. Different from other investors who seek to maximize their returns on renovating houses, we want to increase the value of the entire community through promotion of home ownership.

Our response to your RFP and our proposed project has all the makings to be a “community within the community.” Moving forward, our efforts will include listening sessions with the neighborhood associations to form and implement a coordinated strategy that works best for everyone. This is in keeping with what our upstream efforts were with _____, _____, _____, and the residents and office users when we developed _____.

Our design and redevelopment process will capture the richness and history of the houses and neighborhood while at the same time clearly showing that a significant investment has been made. This is fully demonstrated on the plans that we are proposing and have included.

How we will differentiate ourselves: Our plan is not to redevelop the ten houses as standalones but rather to rebrand all the houses on the block. With the permission and participation of the other neighbors, and at our cost, we will repaint and re-landscape the fronts of their homes in one coordinated effort with the rest of the project. We will use a series of well-

thought-out color schemes, attractive fencing, lighting and landscaping to bring the homes into a unified, community look and feel.

Our time line mirrors the city's desire to have the project ready for occupancy in twelve months from the time the project is awarded. We have incorporated a schedule outlining specific steps in the project development process. In general terms, we will be working with the community to receive their input, designing and marketing the houses, receiving cost estimates and permitting, and going forward with actual construction.

The purchase price we will offer for each house will be the \$ suggested by the City in this RFP.

We are committed to "green" building and we will look for every opportunity to incorporate Baltimore's Green Building Standard's ideas. Our project was certified L.E.E.D Gold and our project followed the city's Green Building Standards and should be awarded a gold rating. The team's contractor has built a number of Energy Star homes in the city and has worked on passive solar house construction as well.

Our marketing strategy is multi-faceted: The marketing process has already started with a massive database of over 1,000 teachers and non-profit employees. In our project alone there are already 75 teachers who have made Remington their home. Teach for America, one of our largest partners, has over 450 alumni who came to Baltimore to teach and who have stayed here in the city. We believe that this is a captive audience ready to jump at the opportunity to be a part of the ongoing transformation of an emerging neighborhood. has spent the last six months acquiring vacant houses in Remington and working with teachers to design and build them in a way that meets their long-term needs and budgets.

The team will also proactively reach out to city employment bases including firefighters, police officers, and other municipal employees who have historically lived outside the city. Like the teachers, they will benefit from the opportunity to live in fully-restored, first-rate housing and be incentivized by the city's home ownership programs.

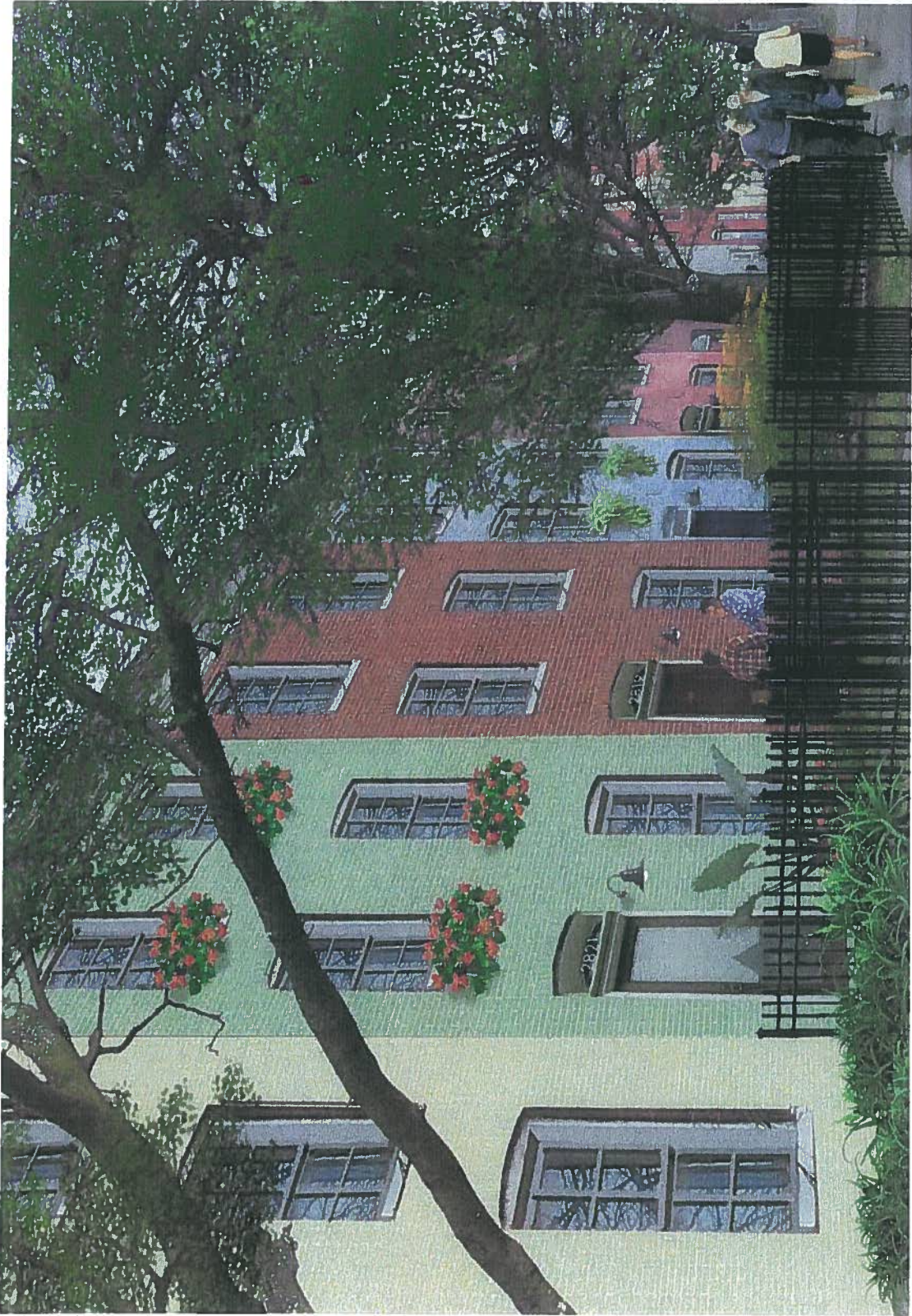
Our target market will include employees of the city's colleges and universities. [redacted] has had extensive conversations with Johns Hopkins, which believes that many of their employees would have significant interest in this program. Hopkins, in particular, has strong financial incentives for their employees to live near where they work.

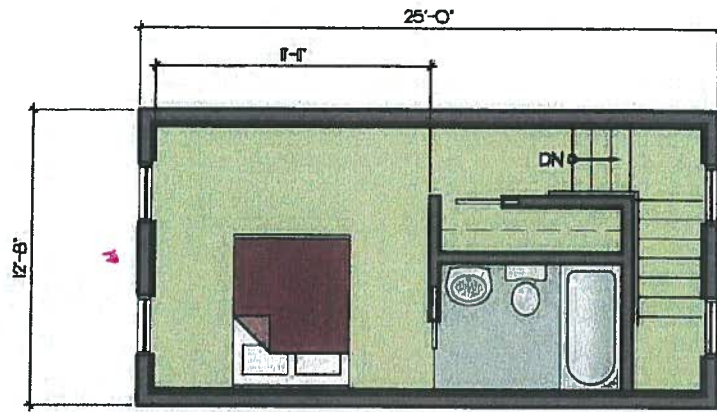
We will develop a creative website branding the project as something fun and exciting that the young teaching community, municipal workforce, and university employees can understand and embrace.

We will facilitate to all prospective purchasers the various incentives offered by the federal government, the State of Maryland, Baltimore City, and the local foundations.

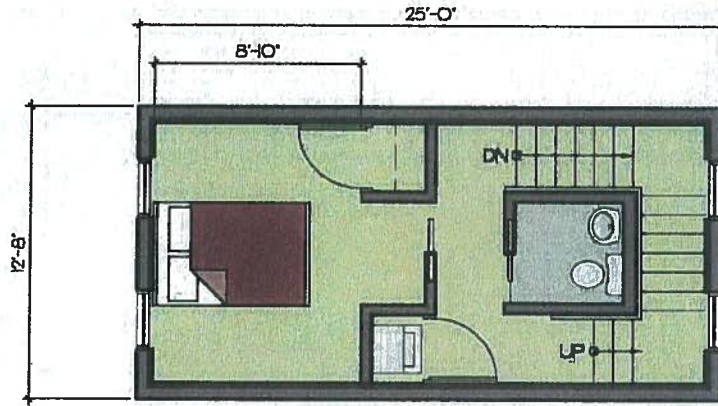
Additionally, the development team will be actively engaged with [redacted], owner of [redacted] to market and sell the finished homes. [redacted] will be following all federal regulations, including being an equal housing provider.

CONCEPTUAL
PLANS &
RENDERINGS

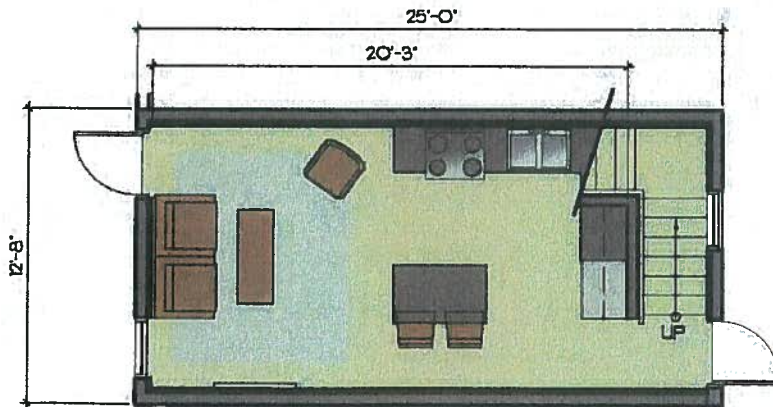




THIRD FLOOR PLAN



SECOND FLOOR PLAN



FIRST FLOOR PLAN

PROJECT TIMELINE

EXHIBIT A
RESPONDENT
INFORMATION

Exhibit A-Respondents Information

A1

Name of Respondent

Address

Contact

Telephone Number

Fax Number

A2 Type of Organization

is a limited liability corporation

A3 Principals

Principal Name	Title	Home Address	% Interest	Social Security
	Founding Member			
	Founding Member		50%	
	Development Director			
	Project Manager			

A4 Development Team Members and Consultants

Contractor

Architect:

Sales Agent:

Marketing:

Legal:

A5 Disclosures

Please identify any business entity or organization in which the Respondent is or was formerly a principal partner, managing member or otherwise owned or controlled more than 50% of the shares or assets of such entity/organization and which has owned or operated residential property in the last five years in Baltimore City and elsewhere.

Developer
Developer
Developer

Check the boxes below regarding each individual and/or business entity buyer and any of the business entities listed above:

- 1. Party in a pending lawsuit. No
- 2. Conviction or pending case for fraud, bribery or grand larceny. No
- 3. Conviction or pending case for arson. No
- 4. Indicted for or convicted of any felony within the past 10 years. No
- 5. Adjudged bankrupt, either voluntary or involuntary, within the past 10 years. No
- 6. Unpaid delinquent taxes, municipal liens, and/or outstanding judgments. No
- 7. Declared in default of a loan or failed to complete a development project. No
- 8. Failed to complete or currently in violation of a Land Disposition Agreement or other agreement involving the City of Baltimore. No
- 9. Own a property which currently has a Vacant House Notice or other housing code violation in Baltimore City or elsewhere. No
- 10. Failed to obtain required building permit for work performed. No
- 11. Failed to register a currently owned, non-owner occupied dwelling unit in Baltimore City as required by Baltimore City Code Art. 13 § 4. No
- 12. Failed to comply with inspection and/or registration requirements under the Maryland Lead Law. (Maryland Code: Environment § 6-801 - 6-852; Article 48A § 734-737; Real Property § 8 - 208.2) No

A.6 Certification

Please note: If the Respondent is a joint venture, this certification form A.6 must be signed by an officer of each entity composing the joint venture.

I _____
am an officer authorized to make a binding contractual commitment for the Respondent.

I have received, read and understand the provisions of this Request for Proposals (RFP).

I acknowledge that failure to disclose a material fact or to misrepresent a fact can result in disqualification of the development proposal from further consideration. I certify that all information contained in this response to the RFP, including but not limited to, the disclosure information above is true and correct to the best of my knowledge and belief.

I understand by signing this form in conjunction with a response to this RFP, that the City may, at its choosing, conduct a check with Dun and Bradstreet and other credit verification or similar agencies.

I understand that the City is not obligated to pay, nor will it in fact pay, any costs or losses incurred by the Respondent at any time, including, but not limited to, the cost of: (1) any prior actions by the Respondent in order to respond to the RFP, and/or (2) any future actions by the Respondent in connection with any negotiations between the Respondent and the City, including, but not limited to, actions to comply with requirements of Baltimore Housing, the City or any applicable laws.

I agree that I will not enter into, execute or be a party to any Covenant, Agreement, Lease, Deed, Assignment or Conveyance, or any other written instrument which restricts the sale, lease, use or occupancy of the property or any part thereof, upon the basis of race, color, religion, sex, or national origin and will comply with all Federal, State, and local laws, in effect from time to time, prohibiting discrimination or segregation and will not discriminate by reason of race, color, religion, sex or national origin in the sale, lease, use or occupancy of the property.

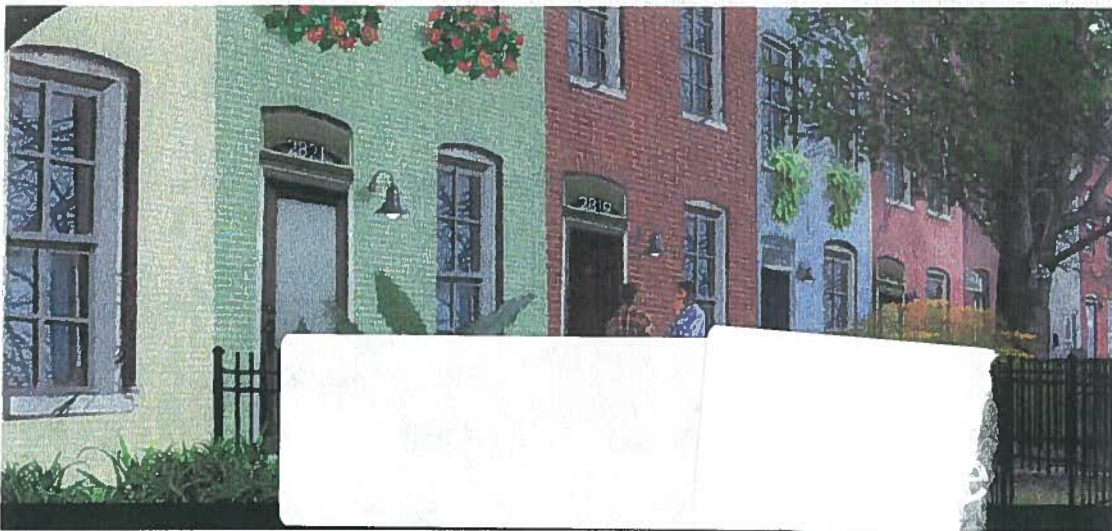
Dated: _____

Signature: _____

Title: _____

Respondent Entity: _____

TAB B



BENEFITS TO THE CITY & THE COMMUNITY

Benefits to the City and the Community

The primary beneficiaries are the neighbors who have lived next to these vacant houses. When the houses are redeveloped and sold, these residents will feel for the first time in years that they have been included in a thoughtful, open process that created a stunning new block. Most importantly, their homes will be part of an appreciating neighborhood.

The community of Remington will have a beautiful new block with no more vacant houses on it. That new block will be filled with young families and home owners who will be actively engaged in the day-to-day activities, long term planning and ultimate success of the neighborhood. Many will have kids and will play an active role in the quality and outcomes of public education (significant factors in keeping families living in Baltimore and increasing the potential for future sales).

For Baltimore City there is potential for multiple returns on this investment:

- The property tax rolls will be increased as a result of the redevelopment's leading to home ownership.
- When completed, the development will be a model for urban centers in terms of neighborhood collaboration, financial investment and look and feel.
- Through the redevelopment of the houses, construction jobs will be created. We will work closely with the community to identify individuals and companies that could serve the project as well as engaging minority participation throughout the predevelopment as well as the actual construction.
- There will be increased spending in the community as stores, markets and restaurants are frequented by these new residents.
- The revitalized block will create a safer street and lead to a safer community.

TAB C



FEASIBILITY

Feasibility

In five short years [redacted] has successfully undertaken over \$ [redacted] of transformative real estate projects that have combined the most creative financing tools available. All of the [redacted] projects have layered complex national tax credits, state and city subordinated debt, bank loans and private equity into a formula yielding successful on-time completion of complicated projects.

[redacted] has a strong track record of closing, managing and complying with some of the most stringent financing in the marketplace. We believe that our access to capital, our collective experiences in Baltimore, our long history of providing quality real estate projects on time and on budget, and our strength in marketing make us a great partner in helping to revitalize the [redacted] block of Remington Avenue.

By virtue of the work we have done at [redacted] and [redacted], we have a built-in market of qualified buyers in the form of teachers and non-profit employees. Between those two projects, we have a database of over 1,000 educators who live in Baltimore City. We believe this is an enthusiastic audience ready to jump at the opportunity to be a part of the successful transformation of emerging neighborhoods. To date we have been approached by a number of teachers who have decided to make Baltimore their home and are looking to purchase from us. Additionally, we will reach out to other city employment bases including Johns Hopkins employees, firefighters, police officers and municipal employees. Like the teachers, these other groups stand to benefit from the opportunity to live in fully restored first-rate housing.

All of these things being said it is important to note that this is a very tight project. Very small houses with complicated footprints, limited parking and a neighborhood where finished houses sell for less than \$ [redacted] will make this project difficult for anyone who takes it on. Until each of the houses can be accessed and properly analyzed, it will be important for the city, the community and the developer to remain very flexible as to the final direction of the project. While it is no one's intention, it is not unfeasible that the economics of for sale housing may just not work for that block at this point in time.

**HARD COST
EXAMPLE
BUDGET**

Hard Cost Budget Example

Item #	Div	Type	Description	Final Construction Budget
5		L&M	Demo	\$
7		Labor	Sump Pit and Drain Tile	\$
11		Labor	Framing	\$
12		Material	Lumber	\$
13		Material	Stairs	\$
14		L&M	Roofing and Gutters	\$
16		L&M	Insulation	\$
17		Material	Exterior Doors	\$
18		Material	Windows	\$
19		L&M	Drywall	\$
20		L&M	Paint	\$
21		L&M	Staining	\$
22		L&M	Exterior Paint	\$
23		L&M	Carpet	\$
24		Labor	Hardwood	\$
25		Labor	Tile	\$
26		Material	Hardwood	\$
27		Material	Tile	\$
28		Labor	Trim Installation	\$
29		Material	Interior Doors	\$
30		Material	Base Trim	\$
31		Material	Vanity Cabinet	\$
32		Material	Vanity Tops	\$
33		Material	Apt #1 Kitchen Cabinets	\$
35		L&M	countertops Tops	\$
36		L&M	Hardware	\$
38		Material	Appliances (w/ Allowance for owner)	\$
39		L&M	Plumbing	\$
41		L&M	HVAC	\$
42		Material	Faucets and Fixtures	\$
43		Material	Water Heater	\$
45		L&M	Electric	\$
46		Material	Lights	\$
49		GC	Supervision	\$
50		GC	Profit and overhead	\$
			Total	\$

SOURCES AND USES BUDGET

Remington Avenue Project

COSTS

Total Acquisition	Acquisition Per House	\$
	Construction Cost Per House	\$
Construction Cost	Contingency	
<u>Contingency</u>	Soft Costs Per House	\$
Total Construction Cost	Development Fee	
Soft Costs	Debt	
Interest Carry Cost	Equity	
<u>Contingency</u>		
Total Soft Costs	Cost Per House	\$
Development Fee		
Total Development Cost		

REVENUE	SF	Units	Sales Price	Commision	Net Revenue
Typical Houses	900	1			
2	900	1			
3	900	1			
4	900	1			
5	900	1			
6	900	1			
7	900	1			
8	900	1			
9	900	1			
2813 Remington Ave	900	1			
Total SF/Revenue	9,000	10	\$		3%

***It's important to note that our model is based 100% on assumptions. We have not been in most of the houses and do not pretend to know the condition that they are in. Our experience with this size product would indicate that we will be in the \$ range for a full gut-rehab. Because of the very small size of the houses we have tried to keep the prices as affordable as possible. If awarded the project we will explore options of adding on small additions to increase the size and value of each finished home. That being said, we believe we have come up with an exciting interior design that would allow us to work within the existing walls and still make them very marketable.

TERM SHEET FOR FINANCING

January 6, 2012

Re: Acquisition line of credit and construction financing for:

Dear :

Thank you for submitting a request for financing for the above project. ("Lender") is pleased to provide you with the following term sheet. The terms and conditions outlined below are proposed terms based on our initial review of the materials submitted. **Please note that this term sheet is presented for discussion purposes only and is not a commitment to provide financing.**

Non-Binding Terms

Project Name: ("Project")

Project Address: Various addresses in the Remington neighborhood, Baltimore, MD ("Property")

Borrower: A single-purpose entity to be formed

Guarantors: with liquidity requirement

Guaranty: Guarantees will be full recourse

Loan Type: Acquisition Line of Credit

Loan Amount: Up to \$ (the "Line of Credit") to be evidenced by sub-notes covering the acquisition of one or more properties

Purpose: The proceeds of the Line of Credit may be used to finance the acquisition of Property.

Rate: Floating at a rate of LIBOR plus 5.25%

Origination Fee: 1% (\$)

Additional Fees: Borrower responsible for Lender's legal costs and all other closing costs.

Term: Line of Credit will have a 12 month term. Each sub-note will have a 12 month term.

Advances: Advances will be made upon receipt and approval of draw requests with such supporting documentation as may be required by

For Acquisition

All items typically required by Lender for transactions of this nature including but not limited to:

- As-Is appraisal of the Collateral Property, in all respects satisfactory to Lender, that demonstrates a maximum loan-to-value ratio of 80% and a maximum loan-to-cost ratio of 80%;
- Projected development budget; and
- HUD-1 for each property acquired.

Repayment: Borrower must make monthly payments of interest-only at the stated rate. Full repayment of principal and interest is due at maturity or upon construction financing whichever is sooner.

Prepayment Penalty: None

Collateral: First priority, title-insured Deed of Trust on each acquired Property; First priority absolute assignment of all rents and leases, as well as any and all contracts and any other development agreements affecting all or part of the property.

Right of First Refusal:

Lender will reserve the right, but will have no obligation, to have first opportunity to underwrite any construction or bridge financing which Borrower may seek in the future to complete the Project. A sample construction loan term sheet is attached here as Exhibit A.

Loan Source: This loan is being made in partnership with the Baltimore Integration Partnership. Please see attached description of the goals of the BIP.

Loan Covenants

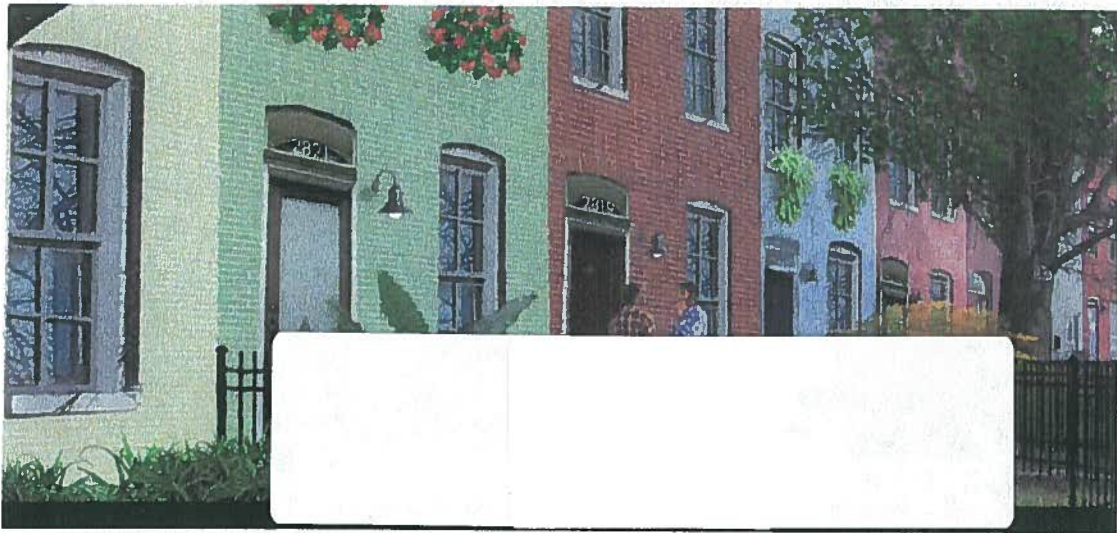
This financing would be subject to all terms and conditions typically required by TRF for transactions of this nature, as well as ones unique to this particular situation, including, but not limited to:

1. Guarantees are full and unconditional;
2. Borrower will incur no additional indebtedness without Lender's prior written approval; and
3. Guarantor will provide Lender with annual audited financial statements within 120 days of the end of each fiscal year, plus other such reporting requirements and financial information as Lender requires.

Sample Construction Loan Term Sheet

- Loan Amount:** Up to \$ _____ (the "Construction Loan").
- Purpose:** The proceeds of the Construction Loan may be used to:
a) finance the hard and soft costs of the rehabilitation of each Property; and
b) capitalize interest for the loan term.
- Rate:** Floating rate based on market rates in effect at the time of commitment.
- Origination Fee:** 1% (\$ _____)
- Additional Fees:** Borrower responsible for Lender's legal costs and all other closing costs.
- Term:** Up to 24 months
- Advances:** Advances will be made upon receipt and approval of draw requests with such supporting documentation as may be required by
- Repayment:** During the construction period, Borrower must make monthly payments of interest-only at the stated rate. Full repayment of principal and interest is due upon the earlier of unit sales or maturity of the loan. Upon unit sales, borrower will remit 100% of net proceeds until full repayment of the loan.
- Prepayment Penalty:** None
- Collateral:** First priority, title-insured Deed of Trust on the Property; First priority absolute assignment of all rents and leases, as well as any and all contracts and any other development agreements affecting all or part of the property.

TAB D



DEVELOPER CAPACITY

DEVELOPMENT COMPANY

- Success Stories
- Staff / Employee / Partner Resumes

FINANCIAL
STATEMENTS

FINANCIAL STATEMENTS

DECEMBER 31, 2010

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MISTER, BURTON, PALMISANO & FRENCH, LLC

Certified Public Accountants

307 International Circle, Suite 570 Hunt Valley, Maryland 21031

INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Members

Baltimore, Maryland

We have reviewed the accompanying balance sheet o _____ as of December 31, 2010, and the related statements of income, members' equity, and cash flows for the year then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

Our review was made for the purpose of expressing a conclusion that there are no material modifications that should be made to the financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America. The information included in the accompanying Schedule of Operating Expenses is presented only for purposes of additional analysis and has been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, and we are not aware of any material modifications that should be made thereto.

Mister, Burton, Palmisano & French, LLC

Mister, Burton, Palmisano & French, LLC
Hunt Valley, Maryland
October 4, 2011

BALANCE SHEET

December 31, 2010

ASSETS

CURRENT ASSETS

Cash and Cash Equivalents

\$

Advanced Costs - Related Parties

Developer Fees Receivable - Related Parties (Current)

TOTAL CURRENT ASSETS

PROPERTY, AT COST

Office Furniture and Equipment

Less: Accumulated Depreciation

PROPERTY, NET

OTHER ASSETS

Developer Fees Receivable - Related Parties (Non-Current)

TOTAL ASSETS

\$

LIABILITIES AND MEMBERS' EQUITY

CURRENT LIABILITIES

Accounts Payable and Accrued Expenses

\$

MEMBERS' EQUITY

TOTAL LIABILITIES AND MEMBERS' EQUITY

\$

See independent accountants' review report and accompanying notes.

STATEMENT OF INCOME

For the Year Ended December 31, 2010

REVENUE

Development Fees

Other Income

Interest Income

TOTAL REVENUE

OPERATING EXPENSES

Personnel

Administrative

Occupancy

TOTAL OPERATING EXPENSES

NET INCOME

\$

\$

See independent accountants' review report and accompanying notes.

STATEMENT OF MEMBERS' EQUITY

For the Year Ended December 31, 2010

Members' Equity
Beginning Balance

\$

Net Income

Distributions to Members

Total Members' Equity

\$

See independent accountants' review report and accompanying notes.

STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2010

Cash Flows From Operating Activities

Net Income

\$

Adjustments to Reconcile Net Income to Net Cash Provided By
Operating Activities:

Depreciation and Amortization

Changes in Assets and Liabilities:

(Increase) Decrease in:

Developer Fees Receivable

Advanced Costs - Related Parties

Member Loan - Receivable

Increase (Decrease) in:

Accounts Payable and Accrued Expenses

Member Loan - Payable

NET CASH PROVIDED BY OPERATING ACTIVITIES

Cash Flows From Financing Activities

Distributions to Members

NET INCREASE IN CASH AND CASH EQUIVALENTS

CASH AND CASH EQUIVALENTS

Beginning of Year

END OF YEAR

\$

See independent accountants' review report and accompanying notes.

NOTES TO FINANCIAL STATEMENTS

December 31, 2010

Note 1: Nature Of Business And Significant Accounting Policies

Nature of Business:

_____ was organized on January 2, 2007 and is governed by the Maryland Limited Liability Company Act. _____ is engaged in the development of commercial and residential rental properties.

Revenue Recognition

Under its development services agreements, _____ performs various services for the property being developed. Some of those services include assistance in dealings with municipalities and other stakeholder groups, identifying financing alternatives, inspect construction progress, and review agreements entered into by property owners. _____ recognizes income from these development services as they are provided.

Property and Depreciation

Property is recorded at cost and depreciation is computed utilizing the accelerated method over the estimated useful life of either five or seven years.

Furniture
Equipment

\$

Sub-Total

Less: Accumulated Depreciation

Total

\$

Depreciation expense for the year ended December 31, 2010 was \$919.

Cash and Cash Equivalents

For purposes of reporting cash flows, _____ considers all short-term, highly liquid investments purchased with a maturity of three months or less to be cash equivalents.

Financial Credit Risk

_____ maintains cash in bank deposit accounts, which at times may exceed federally insured limits. The Corporation has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTES TO FINANCIAL STATEMENTS

December 31, 2010

Note 1: Nature Of Business And Significant Accounting Policies (Continued)

Taxes

taxable income or loss is allocated to the members in accordance with the operating agreement. Therefore, no provision or liability for income taxes has been included in the financial statements.

Date of Management's Review

The Company has evaluated subsequent events through October 4, 2011, the date which the financial statements were available to be issued.

Note 2: Related Party Transactions

Under certain terms of the development agreements, will advance costs related to property development. These costs are then reimbursed by the property owners upon demand. The following is a summary due from related parties:

Due From	\$
Due From	4
Due From	
Total	\$

In addition to the advanced costs for is due development fees. Per the development services agreement with , the fees totaled \$ and are to be paid in full no later than the eleventh anniversary of substantial completion of development and rehabilitation of the project, December 31, 2018. In addition, no interest shall accrue on any unpaid fee. Thus far, has received \$ of the total fee. As of December 31, 2010, the amount owed from is \$ before any discount for present value.

NOTES TO FINANCIAL STATEMENTS

December 31, 2010

Note 2: Related Party Transactions (Continued)

Scheduled annual receipts for the remaining eight years of the receivable are as follows:

For the Years Ending December 31,

Current Portion	
2011	\$
Non-Current Portion	
2012	\$
2013	
2014	
2015	
2016	
2017	
2018	
Subtotal	
Less: Present Value Discount at 3.0%	
Total Non-Current Portion	\$

Note 3: Commitments and Contingencies

Contingent liabilities exist by virtue of _____ position as a guarantor of certain loans for related party debts and potential recapture of certain federal income tax credits taken on the properties being developed. _____ potential liability under these instances totals \$ _____ in principal, absent additional interest and other costs. In addition, _____ I has indemnified the lenders for any environmental losses or costs sustained during the period of the guaranty. The credits applicable to _____ current development project are the New Markets Tax Credit (NMTC) and the Historic Tax Credit (HTC). The NMTC and HTC are available from the Federal government for investments that are expected to result in community benefits.

Specifically, the NMTC are available for investments that result in job creation and material improvement in the lives of residents of low-income communities. The HTC is available for investments that promote urban and rural revitalization of private investment in rehabilitating historic buildings as administered by the National Park Service and State Historic Preservation Offices.

NOTES TO FINANCIAL STATEMENTS

December 31, 2010

Note 3: Commitments and Contingencies (continued)

The NMTC may be recaptured if at any time during the seven (7) year period beginning on the date of the credits' issuance the project (1) ceases to be a community development equity project, (2) the project ceases to meet certain requirements involving qualifying low-income community investments, and (3) the project is redeemed or otherwise sold. The amount of such recapture is calculated as the total decrease of income tax liability within the seven (7) year period in which NMTC credits were claimed. The HTC's may be recaptured if there is a disposition or sale of the project or it ceases to be business use property within five (5) years from the date placed in service. The amount of such recapture is reduced by twenty percent (20%) for each full year that elapses after the rehabilitated property is placed in service.

For the [redacted] project, [redacted] guarantor obligation is as follows:

Loans		\$	
NMTC			
HTC			
Subtotal			
Less: Repayments Made During 2010			
Total			

For the [redacted] project, [redacted] guarantor obligation is as follows:

Loans		\$	
NMTC			
HTC			
Total			

As of December 31, 2010, management believes there is no material risk of loss to Seawall.

Note 4: Major Customers

During the year ended December 31, 2010, 100% of [redacted] income was earned from three customers, all of which are also related parties.

, LLC

SCHEDULE OF OPERATING EXPENSES

For the Year Ended December 31, 2010

Personnel:

Salaries	\$
Employee Benefits	
Payroll Taxes	
Payroll Processing Costs	
Total Personnel	

Administrative:

Professional Fees	
Charitable Contributions	
Interest Expense	
Insurance	
Travel and Entertainment	
Political Contributions	
Bad Debt Expense	
Parking and Motor Vehicle Expense	
MIS Expenses	
Leasing and Promotion Fees	
Office Expenses and Postage	
Dues and Subscriptions	
Business Licenses & Permits	
Bank Service Charges	
Total Administrative	

Occupancy:

Office Rent	
Telephone	
Depreciation and Amortization	
Personal Property Taxes	
Office Utilities	
Total Occupancy	

Total Operating Expenses \$

See independent accountants' review report

PERSONAL INFORMATION

NAME (APPLICANT)		NAME (CO-APPLICANT)	
NO YRS		HOME ADDRESS	
<input checked="" type="checkbox"/> OWN <input type="checkbox"/> RENT		<input type="checkbox"/> OWN <input type="checkbox"/> RENT	
PREVIOUS ADDRESS IF AT HOME ADDRESS LESS THAN 3 YRS		PREVIOUS ADDRESS IF AT HOME ADDRESS LESS THAN 3 YRS	
NO YRS		NO YRS	
HOME PHONE	SOCIAL SECURITY NO	HOME PHONE	SOCIAL SECURITY NO
EMPLOYER		EMPLOYER	
NO YRS		NO YRS	
BUSINESS PHONE	TITLE/POSITION	BUSINESS PHONE	TITLE/POSITION
NAME OF PREVIOUS EMPLOYER (IF LESS THAN 3 YRS)		NAME OF PREVIOUS EMPLOYER (IF LESS THAN 3 YRS)	
NO YRS		NO YRS	

ACTUAL CASH INCOME AND EXPENDITURES STATEMENT FOR YEAR ENDED DEC 31, 2011

ANNUAL INCOME	APPLICANT	CO-APPLICANT	ANNUAL EXPENDITURES	APPLICANT	CO-APPLICANT
WAGE/SALARY			FEDERAL INCOME & OTHER TAXES		
USES & COMMISSIONS			STATE INCOME & OTHER TAXES		
TOTAL INCOME (GROSS)			RENTAL PROPERTY EXPENSES		
INTEREST & DIVIDEND INCOME			MORTGAGE PAYMENTS (P&I ONLY)		
TRUST DISTRIBUTIONS			PROPERTY TAXES		
IRA INCOME (LIST BELOW) **			PRINCIPAL PAYMENTS ON INSTALLMENT LOANS & CREDIT CARDS		
			INSURANCE (HOME, MEDICAL, LIFE, AUTO, ETC)		
			INVESTMENT EXPENSES (EXCLUDING TAX SHELTERS)		
			ALIMONY/CHILD SUPPORT		
			TUITION		
			OTHER LIVING EXPENSES		
			MEDICAL EXPENSES		
			OTHER EXPENSES		
TOTAL APPLICANT'S			TOTAL APPLICANT'S		
TOTAL INCOME			TOTAL EXPENDITURES		

PLEASE ATTACH EXPLANATION IF DIFFERENT INCOME REPORTED ON TAX RETURN.

Is there a significant change in income or expenditures expected in the next 12 months? Yes No (If yes explain below)

Income from alimony, child support, or separate maintenance income need not be revealed if the applicant or co-applicant does not wish that information to be considered as a basis for repaying obligation.

AMB DISCLOSURE UNDER CONTINGENT LIABILITIES (NEXT PAGE)

ASSETS	AMOUNT(S)	LIABILITIES	AMOUNT(S)
CHECKING (SCHEDULE A)		NOTES PAYABLE BANK-SECURED (SCHEDULE F)	
SAVINGS (SCHEDULE A)	\$	NOTES PAYABLE BANK-UNSECURED (SCHEDULE F)	
MUTUAL FUNDS & MARKETABLE SECURITIES (SCHEDULE B)	\$	NOTES PAYABLE TO OTHERS - SECURED (SCHEDULE F)	
NON-READILY MARKETABLE SECURITIES (SCHEDULE B)		NOTES PAYABLE TO OTHERS - UNSECURED (SCHEDULE F)	
TRUSTS		ACCOUNTS PAYABLES & CREDIT CARDS(SCHEDULE F)	
ACCOUNTS & NOTES RECEIVABLE		MARGIN LOAN(S) PAYABLE	
CASH SURRENDER VALUE OF LIFE INSURANCE(SCHEDULE C)		NOTES DUE PARTNERSHIPS & BUSINESS VENTURES (SCH D)	
RESIDENTIAL REAL ESTATE (SCHEDULE D)		TAXES PAYABLE - FEDERAL	\$
INVESTMENT REAL ESTATE (SCHEDULE D)		TAXES PAYABLE - STATE	\$
PARTNERSHIPS & BUSINESS VENTURES (SCHEDULE E)	\$	TAXES PAYABLE - OTHER	
IRA, KEOGH, 401K, PROFIT-SHARING & OTHER RETIREMENT	\$	MORTGAGE DEBT - RESIDENTIAL REAL ESTATE (SCHEDULE D)	
DEFERRED INCOME		MORTGAGE DEBT - INVESTMENT REAL ESTATE (SCHEDULE D)	
AUTOMOBILES		LIFE INSURANCE POLICY LOANS (SCHEDULE C)	
PERSONAL PROPERTY	\$	OTHER LIABILITIES (LIST BELOW)	
OTHER ASSETS (LIST BELOW)			
LOAN RECEIVABLE - SEAWALL UNION AVENUE	\$		
LOAN RECEIVABLE - POPIAM PROPERTIES	\$		
DAN RECEIVABLE - NOW ORLEANS JV	\$	TOTAL LIABILITIES	\$
		NET WORTH (TOTAL ASSETS - TOTAL LIABILITIES)	\$
TOTAL ASSETS	\$	TOTAL LIABILITIES & NET WORTH	\$

ARE ANY ASSETS PLEDGED OR RESTRICTED?

IF YES, ATTACH DETAILS REGARDING DOLLAR AMOUNTS AND ASSETS PLEDGED OR RESTRICTED

CONTINGENT LIABILITIES

Contingent liabilities are financial obligations of other individuals, partnerships, or companies which you have endorsed, guaranteed, or otherwise agreed to or have a statutory obligation to honor in the event of certain contingencies and any direct obligations that are not reflected in the balance sheet above that you will be required to honor in the event of certain contingencies. These include obligations to The Columbia Bank as well as to other banks or creditors of any kind. You must disclose all such guaranties, endorsements, etc., in this schedule.

- 1 AS GUARANTOR OR ENDORSES
- 2 ON LEASES OR CONTRACTS
- 3 LEGAL CLAIMS OR JUDGEMENTS
- 4 INCOME TAX CLAIM OR DISPUTE
- 5 STANDBY LETTER OF CREDIT
- 6 OTHER (ATTACH EXPLANATION)

TYPE NO (1-6)	NAME OF PRIMARY OBLIGOR	DUE TO	MAX. LEGAL AMOUNT	MATURITY	EXPLANATION **
SEE ATTACHED 12.31.10 FINANCIAL STMTS FOR _____ COMPANY.					
DEBT IN THE AMOUNT OF \$ _____ ASSOCIATED WITH _____ HAS BEEN PERSONALLY GUARANTEED					
_____ HAS A _____ ULT-IN-GAIN ASSOCIATED WITH IT (_____)					

NOTE THIS DOES NOT INCLUDE THE ESTIMATED INCOME TAXES ON THE DIFFERENCE BETWEEN THE ESTIMATED CURRENT VALUES OF THE ASSETS AND THEIR TAX BASIS

--	--	--	--	--	--

I (we) understand that the following questions are address to me (us) and I (we) have answered them as appropriate. I (we) have attached explanations of all "yes" answers.

- YES NO 1. Are any of the assets listed herein held under a trust agreement, in estate, or in any other name or capacity?
- YES NO 2. Are any of your real estate properties used by you in your business?
- YES NO 3. Do any of your assets secure any debts which have not been reported above? SEE ATTACHED (SEAWALL FS)
- YES NO 4. Have you ever filed for personal bankruptcy, had property subject to foreclosure, or settled or made assignment for the benefit of creditors?
- YES NO 5.) Has any corporation or partnership in which you were (are) a principal owner or general partner ever filed for bankruptcy, had property subject to foreclosure, or settled or made assignment for the benefit of creditors?
- YES NO 6.) Are you or any corporation or partnership in which you are a principal owner or general partner, a party to any suit or legal action, or are there any unsatisfied judgements against you?
- YES NO 7.) Personal tax returns have been filed through (year) 2010. Are any income tax returns, whether personal or that of any business in which you are a principal owner or general partner currently being audited or contested?
- YES NO 8. Are you named as beneficiary of a trust, will, or estate?
- YES NO 9. Are you an officer, director, or principal shareholder of a banking institution?

We intend to apply for joint credit:

Applicant (initial)

Co-Applicant (initial)

SIGNATURE (APPLICANT)

DATE SIGNED

SOCIAL SECURITY NUMBER

DATE OF BIRTH

SIGNATURE (CO-APPLICANT)

DATE SIGNED

SOCIAL SECURITY NUMBER

DATE OF BIRTH

OWNER
PROPERTY
DISCLOSURE
FORM

Owned Property Disclosure Form

Address

Property Owners (Full Name)

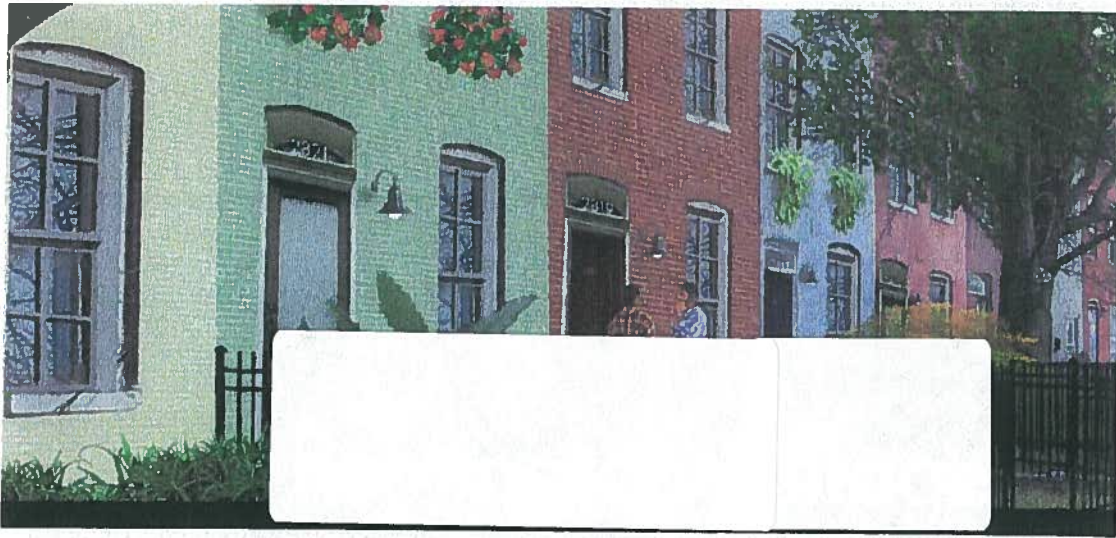
Currently Owned

[Faint, illegible text in the Address field]

[Faint, illegible text in the Property Owners (Full Name) field]

[Faint, illegible text in the Currently Owned field]

TAB E



COMMITMENT TO COMMUNITY PARTICIPATION

Commitment to Community Participation

In all our developments -- _____ and the _____ -- the community associations of Remington, Charles Village, Hamden, Woodberry, Medfield and Greenmount West played an integral part in the project's success. At the outset of each project, we reached out to the associations, shared our vision for the projects, and garnered their feedback, direction and support.

_____ the community associations' focuses were centered on the type of development envisioned, security, parking and having a café that would become an amenity to the neighborhood. The project required PUD approval, and working with the three community associations from the outset helped ensure their full support. We attended their meetings on a regular basis and kept them current as to the status of the plans and construction so they understood how their input was being integrated. We engaged members of the associations by hosting tours of the building from the outset and through the actual construction. We worked closely with the community with regard to the long-vacant and deteriorated CSX lots and incorporated their desired outcomes. The corner café, _____ was realized and has been an enormous asset.

Contacts:

(_____)
_____ (_____)

_____ is located in the Hampden community and adjacent to Woodberry and Medfield. Our plans to renovate Maryland's largest stone mill required us to have the zoning changed from manufacturing to mixed-use. In order to do so, Seawall actively worked with all three community associations to determine the best approach to achieve the zoning change. As a group, we determined that changing the zoning through the PUD process was most feasible. Over the subsequent three months, _____ worked with all three community associations to receive their unanimous

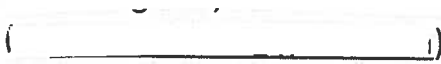
written support of our PUD request and redevelopment efforts of _____ . We continue to work with and engage each of the community associations on decisions and news that affect their communities. We frequently host a group dinner with each of the association presidents to understand what is happening in each of their communities and to keep an open dialogue among themselves and with us.

Contacts:



_____ Greenmount West, like our project, required us to change the zoning from manufacturing to mixed-use in order to redevelop the former Lebow Building. Seawall actively worked with the The New Greenmount West Community Association, The Central Baltimore Partnership, Jubilee Baltimore and all neighbors surrounding the community. The day after we purchased the building, we personally hand delivered letters to each of the 66 neighboring properties, introducing ourselves and describing our plans for the project. After only two months of meetings, we successfully received unanimous written support from the above groups, and our PUD was approved.

Contacts:





16 February 2012

P

Re: .

Dear

I am pleased to inform you that the Remington Neighborhood Alliance (RNA) Board of Directors has voted unanimously to express enthusiastic support for your application to DHCD to obtain and renovate nine houses in the

The Board agrees that and its principals have demonstrated a commitment to the health, welfare and future residential viability of this neighborhood. We believe as the capacity to undertake and complete this project in a manner that will benefit the and our neighborhood.

Our faith in s based on your track record of quality renovation and responsiveness to individual neighbors and the RNA. Your redevelopment of has been a positive experience and has had a positive impact on our neighborhood.

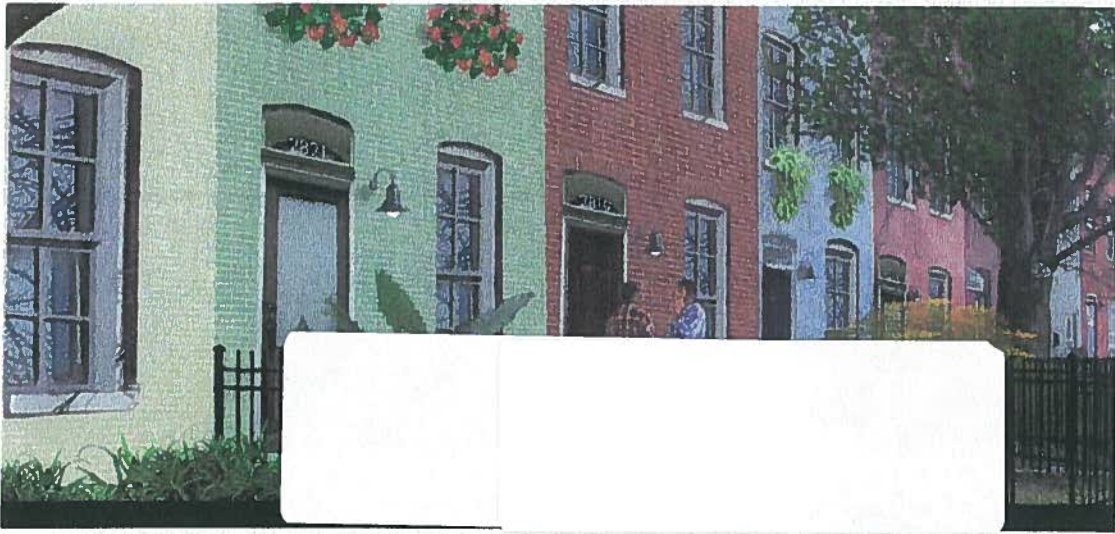
Your proposal to turn vacant shells into homes for teachers to own and occupy is especially pleasing to the RNA as we continue our campaign to place education at the center of life in Remington. Central to our campaign is a plan to establish a neighborhood school at the northeast corner of 29th Street and Remington Avenue, just a few feet away from these houses.

We believe the neighborhood and the block will be well served by having as the chosen developer and as our partner in this very important revitalization project.

Please feel free to attach this letter to your application as you see fit.

Sincerely,

TAB F



MBE/WBE

Minority and Women Owned Business Enterprises

It is our intent to be proactive in including minority business enterprises for this project. As we are in the development phase, we have engaged the architectural firm of _____ (_____, to provide design services. Our contractor, _____, has developed relationships with several minority owned businesses and we plan as a development team to reach out to these companies as plans are finalized. They include but are not limited to; Atlantic Building Supply (lumber supply house), All State Flooring (98-003408), Maryland Roll Off Services (10-358022) and Nissell Plumbing and Heating (00-003938).