

ALBANY AND WOODLAND PLACE

A Mixed-Use Commercial and Residential Development

Memorandum of Understanding

Albany and Woodland Place Development by Albany and Woodland Place, LLC (AWP), a subsidiary of 7 Summits Realty, LLC (7SR) and Sheldon Oaks Central, Inc. (“SOC”), together the “Partners”

This Memorandum of Understanding dated January 20, 2021 outlines the major points of agreement between 7SR and SOC in the joint development of a new 50-unit +/-affordable housing apartments development at 1171 Albany Avenue (southeast corner of Albany Avenue and Woodland Street) Hartford, Connecticut.

AWP is a subsidiary of 7 Summits Realty, a For-profit development company based in Hartford, CT. 7SR specializes in mixed-use and multi-family development throughout the Connecticut market while providing opportunities for lower income communities and citizens.

The mission of Sheldon Oak Central is to develop, manage, and produce affordable housing for at-risk populations. The agency is also committed to the sustainability of its projects through its network of community centers, and the development of commercial real estate necessary for community economic growth. Sheldon Oak Central is one of the oldest operating community development corporations in Hartford. It was founded by a group of churches in 1968 to create Sheldon Oak Cooperative, an affordable housing development on the edge of the city’s downtown.

AWP will work in partnership with SOC (the “partners”) to jointly develop and manage the housing units and social service relationships in support of the development project.

1. The Project: The development proposed is to construct 50 new affordable rental units and 40,000 SF of commercial space. Albany and Woodland Place is an outstanding and unique Class A/B, mixed-use, office, retail and residential property, located in the very heart of North Hartford, at the prominent SE corner of Albany Avenue and Woodland Street. The property consists of approximately 20,000 SF of 2nd floor office space, 20,000 SF of ground floor retail space, and 40,000 SF of 3rd and 4th floors residential space along with 110 parking spaces. Albany and Woodland Place enjoys superb architectural design (reminiscent of the scale and character of the existing neighborhood) and interior finishes. This state-of-the-art property offers on-site tenant amenities and attractive landscaped outdoor areas. The second-floor office space is already fully leased with long term tenants. There are 50+ total apartments, which are subsidized at 20-80% AMI. Retail space has terrific corner exposures at this major intersection. The building offers abundant and very convenient on-site parking. The development will be owned and managed by Albany and Woodland Place, LLC. A resident property management company will be added at a later date. AWP will assist with various management activities and tenant selection processes. The building has 4 floors with the ground floor having offices, laundry, community room, activities room, and elevator lobby for the residence.
2. The Site: The site consists of a vacant 83,121 square feet (1.91-acre) lot zoned for MS-3 – mixed-use, Office, Retail and multi-family use in the upper Albany neighborhood, with

restaurants, shopping, transportation- including city bus lines. The site is currently owned by the City of Hartford..

3. Pre-Development Feasibility Study: AWP has completed a feasibility analysis to determine the following physical program requirements, zoning analysis, architectural site and plan studies, environmental site assessment, and financial feasibility.
4. Pre-Development Budget: The proposed budget for the Project is:

Budget Items	Development Budget
Legal	\$150,000.00
Engineering	\$149,000.00
Architect / MEP / Structural	\$291,000.00
Passive / Energy Consultant	\$ 24,800.00
Marketing	\$ 25,000.00
Permitting	\$ 10,000.00
Soil Test	\$ 42,000.00
Environmental	\$ 45,000.00
Consultant/Underwriter	\$ 75,000.00
Appraisal/Market Study	\$ 20,000.00
Land Deposit	\$ 50,000.00
Total	\$ 881,800.00

5. Pre-Development Loan: AWP is funding predevelopment activities from cash on hand and also applying for pre-development loans for \$350,000 for the predevelopment expenses identified by the AWP in its due diligence from LISC, CT Green Bank and other yet to be identified entities.
6. Ownership: AWP will be the owner of the commercial condominium of the project. AWP will have a 90% ownership and SOC will have a 10% ownership stake in the multi-family portion of the project. SOC will not be expected to fund any portion of the project or use it funds for this project.
7. Operation: AWP/7SR will oversee and manage all operational needs of the project.
8. Roles and Responsibilities of the Partners for Joint Development: It is the intent of the Partners to maintain a high level of collaboration between themselves in the major activities of the Project. AWP/7SR will have primary responsibility for all tasks, the Partners will have a mutual commitment to reach the Project's goals and objectives, and each Partner will seek the participation and involvement of the other Partner to the greatest extent possible to achieve optimal coordination and consensus between the participants.
 - a. Joint Responsibilities:
 - i. Attend community and permitting meetings in support of the project.
 - ii. Identify and submit for funding that would otherwise not be available for the project by a for-profit developer.
 - iii. Use experience, resumes, experience, balance sheet and other SOC advantages to help the project succeed.
 - b. (SOC) responsibilities:

- i. Secure available funding, as they become available and as necessary through programs to be determined for the development.
- ii. Attend meetings as requested in support of the project, i.e. ZBA, NRZ, etc
- iii. Provide design and construction input.
- iv. Provide capacity building training to 7SR/AWP as required.

c. 7SR/AWP responsibilities:

- i. Develop project concept.
- ii. Apply for and obtain pre-development funding.
- iii. Evaluate feasibility of site alternatives.
- iv. Solicit input from prospective users of space, abutters and other stake holders.
- v. Secure community and political support.
- vi. Select and coordinate the contracts and activities of the development team of architects, engineers, environmental and specialty consultants.
- vii. Negotiate contract for purchase and coordinate all due diligence.
- viii. Fund acquisition costs and other predevelopment costs.
- ix. Maintain accounts and records for the development of the project.
- x. Identify design priorities.
- xi. Asset mapping / market analysis.
- xii. Create and monitor construction process including schedule and budgets, draws, schedule and related reporting.
- xiii. Construction close-out and operating transition.
- xiv. Develop investment summary recommendations including development and construction budgets/bids, financing alternatives, operating pro forma, and total project costs.
- xv. Select project team including accountant, legal counsel, and asset manager.
- xvi. Make the final determination about project feasibility based on expected costs and available funding sources.
- xvii. Approve the final budgets for the acquisition and development of the project.
- xviii. Provide guarantees for permanent financing.
- xix. Coordinate financial closings.

d. Property Management (7SR/AWP) responsibilities:

- i. Determine property management strategy.
- ii. Develop marketing plan for affordable units.
- iii. Develop asset management plan.
- iv. Develop capital repair schedule.
- v. Monitor property performance.
- vi. Provide ongoing maintenance.

e. Property Management (7SR/AWP) responsibilities:

- i. Hire property manager
- ii. Screen tenant/buyer applications for affordable units.
- iii. Maintain accounts and records for the development of the project.

- 1. Compensation and Fees: The partnership agreement would be limited to the residential condominium portion of the development.

2. Sheldon Oaks would be a 10% partner in the Albany and Woodland Place Residential Condominium. Final determination to be made by the tax credit advisor.
 3. We would explore a 3-year partnership agreement with Sheldon Oaks after which time you would exit the deal.
 4. Albany and Woodland Place would compensate Sheldon Oaks a fix developer fee of \$50,000 for a 10% partnership stake. Additional developer can be earned on any funding that SOC participates in or brings to the development.
 5. Half of the developer fee would be paid at closing and 25% at the end of construction and the remaining 25% at exit.
 6. Albany and Woodland Place would assume all risk and financial obligations. Sheldon Oaks would have no financial assumptions or risks.
 7. We would reimburse Sheldon Oaks for all expenses incurred, if any, above the earned developer fee.
 8. Final determination of partnership percentage and fee split will require approval from the LIHTC investor when they're selected.
9. Termination/Dissolution: If either Partner becomes insolvent or is otherwise unable to perform its obligations through no fault of the other party under this Memorandum, the other party will have the first right to acquire or assume the other Partner's interest in the project. The development agreement and/or other documentation will provide for other events of default for cause that will permit the non-defaulting party the right to terminate/dissolve the defaulting party's interest in the entity following a right to cure period.
10. **Confidentiality**. The partners agree that any information received during term of this Agreement which concerns the personal, financial or other affairs of the parties will be treated in full confidence and will not be revealed to any other persons, firms or organizations except (i) as may be authorized in advance; (ii) as may be necessary for the parties to fulfill its obligations under this Agreement; or (iii) except as may be otherwise required by law or any court proceeding.

ALBANY AND WOODLAND PLACE, LLC
7 SUMMITS REALTY, LLC

By: _____
Rohan A. Freeman, President and CEO

Date: _____

SHELDON OAKS CENTRAL, INC.

By: _____
Emily Wolfe, Executive Director

Date: _____