LETTER OF INTENT

Town of Greenburgh "West Help"Property Sublease Deal

REVISED - April 26, 2013

Outlined below is our Sub Lease proposal for your review:

Basic Plan: Group MRH, LLC. (MRH) along with its Partner The Richman Organization, would enter into a 18 year sub lease agreement with the Town of Greenburgh for the property named West Help, located at 1 West Help Drive, White Plains, NY. MRH will manage and operate the facility to be used solely for its intended use, Affordable Housing, as described in the "Ground and Facility Lease Agreement", section 15, dated April 26, 1990. The sub lease Agreement would start as of June 1, 2013 (if approved by the County) and run through April 26, 2032. MRH will "SELF FUND" the $2M renovation done to the 108 apartments, office building and parking areas. MRH NEEDS NO SPECIAL PERMIT OR APPROVALS FROM THE TOWN OR COUNTY, WE WILL USE THE PROPERTY "AS IS" AND FOR ITS INTENDED USE.

MRH will perform the following services at the property:

a. Complete renovation of the interior and exterior of the 108 units, including new kitchen, new flooring and new tile in bathrooms.
b. Install New Washer – Dryer room with 10 Machines in main Annex building.
c. Install cable TV in all 108 units.
d. Complete cleanup of the grounds, includes additional landscaping.
e. Install security cameras and additional flood lights around property.
f. Possibly add a shuttle service if demand warrants this service.
g. Make certain units "type B" ADA compliant.
h. Add approximately 70 parking spaces to accommodate residents.
i. Property will be operated, maintained and managed by MRH, LLC.
j. Affordable Housing management will be done by The Richman Group

Town of Greenburgh will provide the following:

a. No rent for first 3 months of lease during build out period.
b. Leave existing furniture for the rooms, as seen during walk thru.
c. Provide exemption from renovation permit & additional parking permit.

No warranty or representation, express or implied, is made as to the accuracy of the information contained herein, and same is submitted subject to errors, omissions, change of price, rental or other conditions, withdrawal without notice, and to any special listing conditions, imposed by our principals.

Additional Benefits To Town of Greenburgh:

1. The Property will be maintained to a very high standard and thus improve the overall surrounding area.
2. The Town does not need to spend additional funds to maintain the property: landscaping etc.
3. The extensive $2M renovation of the exterior and interior of all the buildings on the Property will help improve the Town and County Affordable Housing requirement, a very underserved market at the present time.

Rental Terms & Usage Dates:

1. MRH will agree to pay the Town of Greenburgh $500,000 per year, paid quarterly, for 18 years.
2. MRH will pay a refundable $500,000 security deposit at execution of the "Lease" with the Town of Greenburgh (1 year rent), pending County approval.
3. MRH will pay an additional $1,000,000 to the town of Greenburgh (two years more rent) on or before the June 1 lease commencement date.
4. MRH will put in an escrow account named solely this project $2,000,000, representing the renovation funds to be used for construction at the WestHelp property.
5. Lease would start June 1, 2013 and end April 26, 2032.
6. MRH will have a first 3 month, no rent build out clause, in lease.
7. No increases in rent for the 18 year lease period.
8. MRH pays all Utilities, maintenance costs and insurance for the Property.
9. Rental emphasis will be on the following groups: senior citizens, 55+ persons, Town employees, Teachers, Police & Firefighters.
10. No Families with young children, therefore NO IMPACT ON THE SCHOOL DISTRICT
11. MRH will "Hold Harmless" Town of Greenburgh for any environmental issues
12. MRH agrees to pay the yearly real estate tax increase on the property.

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MRH Development

1 WestHelp Place
Town of Greenburgh
18 yr Lease

Cash Flow	**Year 1**	**Year 2**	**Year 3**	**Year 4**	**Year 5**	**Year 6**	**Year 7**	**Year 8**	**Year 9**	**Year 10**	**Year 11**	**Year 12**	**Year 13**	**Year 14**	**Year 15**	**Year 16**	**Year 17**	**Year 18**	**Year 19**	**Total**
Rental Income	734,832	1,469,664	1,469,664	1,469,664	1,469,664	1,469,664	1,469,664	1,469,664	1,469,664	1,469,664	1,469,664	1,469,664	1,469,664	1,469,664	1,469,664	1,469,664	1,469,664	1,469,664		25,719,120
108 Units @ $1,134																				-
LIHTC 60% Rent																				
Rent Received	**734,832**	**1,469,664**	**1,469,664**	**1,469,664**	**1,469,664**	**1,469,664**	**1,469,664**	**1,469,664**	**1,469,664**	**1,469,664**	**1,469,664**	**1,469,664**	**1,469,664**	**1,469,664**	**1,469,664**	**1,469,664**	**1,469,664**	**1,469,664**	**-**	**25,719,120**
Expenses																				
Rental Fee-Greenburgh	1,500,000	-	-	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000		9,000,000
(incl Security Deposit)																				
Affordable Mgmt Fees																				
- Richman Group	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000		2,160,000
Tax Increases	-	4,000	4,080	4,162	4,245	4,330	4,416	4,505	4,595	4,687	4,780	4,876	4,974	5,073	5,174	5,278	5,384	5,491		80,050
Insurance	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000		720,000
MRH Management Fee	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000		2,160,000
Super on site W/Bene	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000		720,000
Utilities	129,100	129,100	129,100	129,100	129,100	129,100	129,100	129,100	129,100	129,100	129,100	129,100	129,100	129,100	129,100	129,100	129,100	129,100		2,323,800
Maintenance	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000		540,000
Security Deposit (Inc'l)			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Renovation	2,000,000		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		2,000,000
Total Expenses	**3,979,100**	**483,100**	**483,180**	**983,262**	**983,345**	**983,430**	**983,516**	**983,605**	**983,695**	**983,787**	**983,880**	**983,976**	**984,074**	**984,173**	**984,274**	**984,378**	**984,484**	**984,591**	**-**	**19,703,850**
From Operations	**(3,244,268)**	**986,564**	**986,484**	**486,402**	**486,319**	**486,234**	**486,148**	**486,059**	**485,969**	**485,877**	**485,784**	**485,688**	**485,590**	**485,491**	**485,390**	**485,286**	**485,180**	**485,073**	**-**	**6,015,270**

Sanctuary

Typical Sanctuary Floor Plan

The inclusion of your Pro Forma ATTACHED TO REVISED PROPOSAL EMAIL SENT THIS AFTERNOON ATTENTION PAUL FEINER.

Explain your relationship with the Richman Group. THE RICHMAN GROUP WILL HELP US TO MANAGE THE AFFORDABLE HOUSING PAPERWORK AND YEARLY COMPLIANCE REPORTS AT THIS PROPERTY. THE FUNDING IS ALL MRH: CONSTRUCTION AND THE DAY TO DAY PROPERTY MANAGEMENT IS ALL MRH.

Are you applying for Tax Credits for this project? If yes, please explain THERE ARE NO TAX CREDITS INVOLVED IN THIS DEAL. WE ARE USING OUR CASH TO FUND THIS ENTIRE DEAL. BESIDES, RICHMAN GROUP REQUIRES A MINIMUM 30 YEAR LEASE TO BE IN PLACE IN ORDER TO QUALIFY A DEAL FOR TAX CREDITS.

What have you proposed to Richman Group? MY PROPOSAL TO THE RICHMAN GROUP IS TO HELP US MANAGE WITH PAPERWORK INVOLVED IN DEALING WITH THE RULES AND REGULATIONS OF AFFORDABLE HOUSING.

If available, submit a copy of your Letter of Intent from Richman Group WE DO NOT HAVE A LETTER OF INTENT, WE WILL PAY THE RICHMAN GROUP A FIXED MANAGEMENT FEE TO MANAGE THE PAPERWORK PIECE.

Are you willing to guarantee our rent for the entire term using your tax credits as collateral? If the answer is no, please explain and present how you will guarantee AS YOU WILL SEE IN OUR REVISED LOI PROPOSAL, WE ARE WILLING TO PRE PAY FOR 3 YEARS OF RENT AND ESCROW ALL THE CASH NEEDED TO DO THE CONSTRUCTION RENOVATION TO THE PROPERTY. MY HOPE IS TO SHOW YOU AND THE BOARD THAT WE HAVE VERY GOOD INTENTIONS IN ENTERING THIS SUBLEASE AGREEMENT WITH THE TOWN.

Discuss your process and resources that will be in place for any necessary rehabilitation during the term of the lease and the party responsible for payment.

Ex: roof replacement, boiler replacement etc. WE ARE TAKING FULL RESPONSIBILITY FOR ANY AND ALL REPAIRS THAT WILL BE NEEDED TO THE PROPERTY DURING THE TERM OF THE LEASE. WE ALSO SET ASIDE A MAINTENACE FUND OF $30,000 ANNUALLY FOR ANY POSSIBLE REPAIRS NEEDED.