Executive Summary

Opportunity (why are we here)

• Transaction: $8.0MM NMTC’s for working capital / Non-RE

Objective (goal and benefit)

• Obtain a NMTC transaction net benefit to BGCPR of $1.4M working capital to support organization programs and administrative operations in order to maintain community services and respective impact on LIP’s

Work Plan (how to meet the objective)

• Understand application requirements
• Build Project Case Data and Information
• Evaluate the feasibility of BGCPR using NMTCs under a Non-Real estate financing
• Analyze what type of uses would be deemed eligible
• Term Sheet / Underwriting Phase / Closing Phase

Considerations

• Organization Financial and Cash Position
• Internal Support Team readiness and quick response
• Accounting Systems
**BGCPR - Transaction Timeline**

<table>
<thead>
<tr>
<th>Pre-Work</th>
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<th>Transaction</th>
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<tbody>
<tr>
<td>Apr to Nov</td>
<td>Dec</td>
<td>Jan</td>
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</table>

**Start: April 18, 2018**

**Transaction closing date:** June 19, 2019

### Effort

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### Work Teams and Support

- **BGCPR**
- **BPPR**
- **NMTC Consultant**
- **NMTC CPA Firm**
# BGCPR - Transaction Timeline

<table>
<thead>
<tr>
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<td>NMTC transactions requirements and needs internal evaluation</td>
<td>NMTC Application</td>
<td>Data and Info gathering</td>
<td>Financial Information</td>
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<td>BPPR Reservation letter</td>
<td>NMTC Transaction Advisor selection</td>
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<td>Reservation Letter Sign</td>
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**Effort**

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Transaction closing date: June 19, 2019
**BGCPR - Transaction Timeline**

**Start: April 18, 2018**
- Kick off meeting BPPR CDE entity
- NMTC transactions requirements and needs internal evaluation
- NMTC Application
- Data and Info gathering
- Financial Information
- Organization community impact
- NMTC Consultants list option review
- Potential Structure discussion and review
- BGCPR BOD engagement and sign

**Step 1**
- Identify and select internal project leader
- Meet with BPPR CDE Entity. Discuss Project opportunities
- Get details from BPPR CDE regarding applications and requirements
- Understand the basics of NMTC transactions
- Perform internal assessment and Project Compliance
- Submit application and get approval

**Step 2**
- Hire NMTC transaction consultant
- Evaluate Project Benefits and Risks
  - Financial and Internal support capabilities
- Present Project to BOD and get approval go ahead
- Build your working plan (internal and external)
Why we are here? Questions….

PCC has reserved up to $8.0MM NMTCs for working capital / non-RE for the Boys & Girls Club PR.

- In this something we want to do? Full or Partial Transaction
- What are the risks?
- How to invest the benefit - making an impact (community)

Yes
- NMTC Consultant November
- Invest a little bit or money (maximize) before moving FWD with Official Transaction (Options)
- What is the net benefit and Leverage Lender structure (percentage goal between 10% and 20%)

Transaction (on for 7 Years - interest payments)
- If transaction fails, costs incurred for legal, accounting/tax, consultant will be BGCPR obligation
- Reporting and Supporting internal Structure: 7 Years
- Agility and Speed to reduce costs (process)
- We could bring our own internal investor candidates (negotiate terms)

PP presented to the BOD
Potential Structure
FOR DISCUSSION PURPOSES ONLY

BGCPRT
Formation: PR
Leverage Lender
$5,504,000

NMTC Investor (Example: Capital One)
Formation: Delaware
NMTC Equity Investor

COCRFFInvestor, XX, LLC
Formation: Delaware
QEI: $8,000,000

Popular Community Capital, LLC

$320,000 (4% Fee)

PCC SUB-CDE XX, LLC
Formation: Delaware
$7,680,000

$800 (0.01%)
Managing Member

QLIC Loan A: $5,504,000
Interest Rate: 1.65%
Term: 30 Years

QLIC Loan B: $2,496,000
Interest Rate: 1.65%
Term: 30 Years

BGCPRT QALICB, Inc.
BPPR Account: TBD

Fee Reserve
BPPR Account: TBD

PP presented to the BOD
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### December

- Select NMTC CPA Accounting Firm
- **Perform feasibility Analysis to validate project**
- Get details from consultants of scope of work and determine implications to internal team
- **Build a work plan based on what your internal strengths and weakness are for the support in need**

### Move Forward

- Wrap up details on Reservation letter and sign
- Start working with consultants and internal teams on transaction requirements
- Choose legal firm that will assist you in the transaction
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**Feb to May**

- This is the period where the core of the transaction is put together by the different teams
- There are lots of details that require time and focus from the Project leader of your organization
- High volume of work require from your organization teams supporting the project
- Maintain a proactive communication of project progress with Executive team and BOD
- Important to monitor and plan cash position strategy monthly to support closing funds necessary from your organization as part of the transaction

**June - Closing**

- Daily conference calls
- Last minute requests will happen
- Attention to details. Even at this stage the transaction can failed by several reasons
BGCPR NMTC Transaction Challenges

- **Understand NMTC transaction basics**
- **Accounting system to support required information**

- **Organization Cash Planning to support closing**
- **Get the best professional services (consultants, CPA firms and Legal) to support your project**

- **Design, Build and Internal Structure to manage the transaction and process:**
  - Budget. Out of Pocket Costs (initial)
  - New Entity
  - Internal teams to support

- **Speed and Delivery from internal supporting groups during the final closing weeks/days**
BGCPR NMTC Transaction Benefits

- **Use of funds as working capital to support operations started right after transaction closing** (a few days later)
  - New Projects such as Vimenti
  - Clubs and Administrative operations

- New ways and vehicles of fundraising or funds to support ongoing and growth

- Transaction necessary internal work needed to support process and closing lead us to identify opportunities at the accounting system

- Expertise and experience on this type of transactions
Thank you!

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eric.torres@bgcpr.org