



UNITED HANDS FOR GLOBAL IMPACT (U.H.G.I.)

Lets Invest In Infrastructure
Redevelopment



OVERVIEW

U.H.G.I is a 63'20 rule Special Purpose Entity (SPE) specializing in financing Infrastructure redevelopment for cities that have reached their debt limit and are looking for innovative ways to finance these projects without having to increase the cost of living on tax payers.

U.H.G.I forms a Public Private Partnership(P3) with the governing body in order to maximize Public Benefit in social infrastructure projects (storm water and sewage, Residential and Commercial)



MISSION



United Hands For Global Impact is a Special Purpose Entity (SPE) geared towards financing infrastructure redevelopment

Our goals are to invest in public projects such as redeveloping communities and crumbling Infrastructure, and give citizens an authentic driver seat as investors in public projects



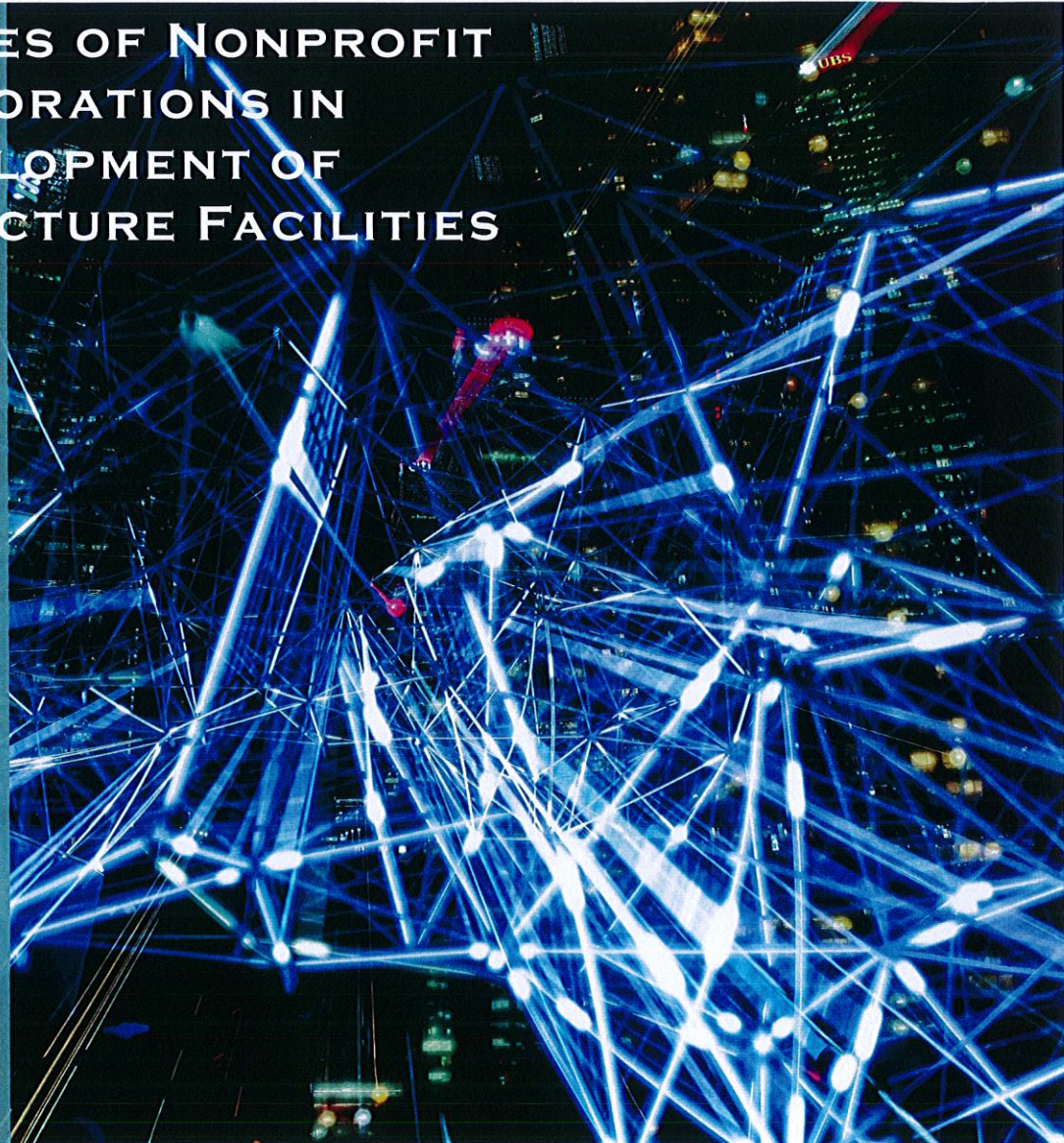
THE USE OF '63-20' NONPROFIT CORPORATIONS IN INFRASTRUCTURE FACILITY DEVELOPMENT

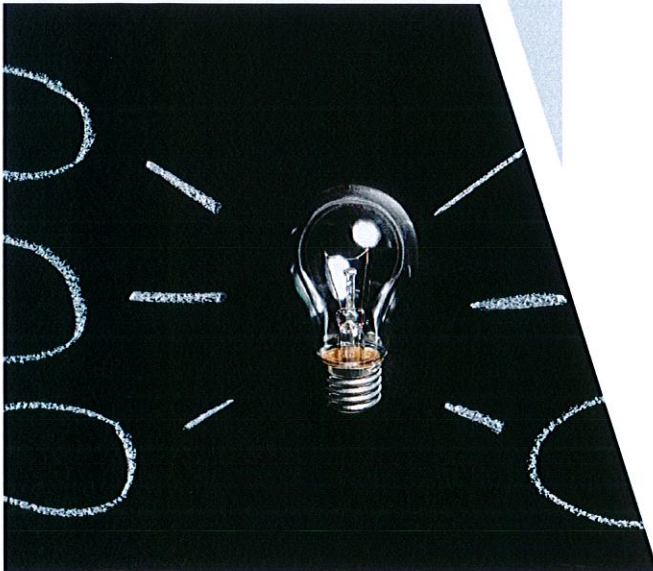
I. ADVANTAGES OF NONPROFIT CORPORATIONS IN DEVELOPMENT OF INFRASTRUCTURE FACILITIES

The use of nonprofit corporations (sometimes referred to as "63-20 Corporations") in structuring public/private infrastructure financings has recently attracted a great deal of attention. Its use is being promoted as a way to preserve the ability for a project to be financed with tax-exempt bonds, while maintaining for both the public and private participants most of the benefits of private development

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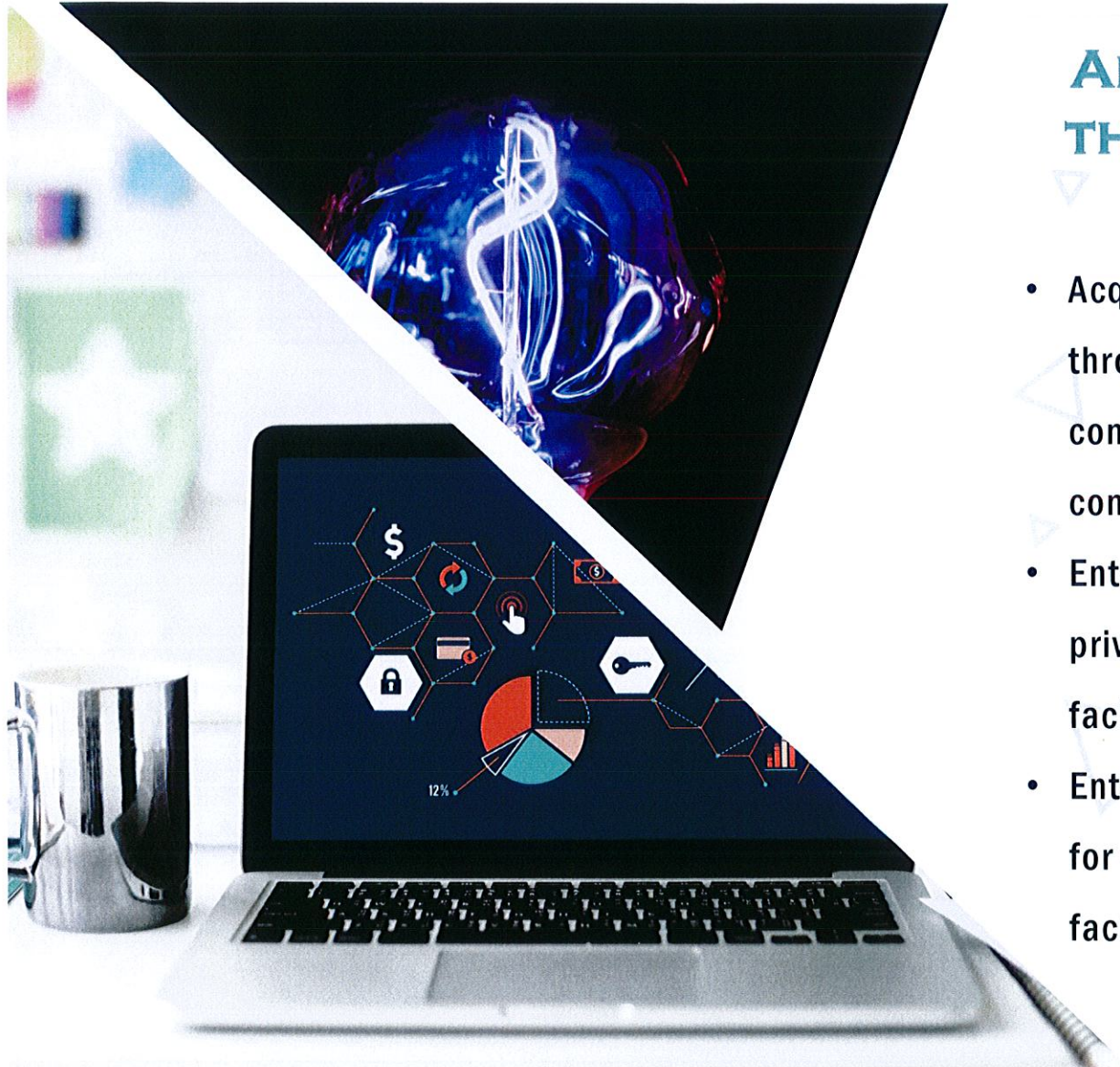
Nonprofit corporations have long been used as a vehicle to finance the construction of public buildings, including hospitals, court houses and schools. Historically, such projects have been accomplished through the use of nonprofit corporations in order to avoid statutory debt limitations and other restrictions.





The advantages of using a nonprofit sponsor to undertake a public/private partnership include, among other things:


- a. The ability to create a governing structure that includes representatives from both the public and private sectors;
- b. Facilitating the transfer to the private sector of significant project risk while preserving the ability to finance the project through the issuance of tax-exempt debt if necessary;
- c. Insulating public agency sponsors from financial or other liability;
- d. Giving an affected community more direct control over key decisions and key project aspects;
- e. The ability to receive and utilize federal, state and local government grants or loan proceeds;
- f. Enabling participation by other non-profit organizations;
- g. Avoiding the need for special legislation to implement a project; and
- h. Combining the relative strengths of the public sector with the private sector's value added efficiency and innovation in ideas



AN NONPROFIT WOULD THUS HAVE THE POWER TO:

- Acquire a project site and develop it through contracts with private contractors for the design and construction of the project facilities;
- Enter into agreements with public and/or private entities for financing of the facilities
- Enter into agreements with third parties for operation or use of the project facilities





IV. Financing Of The Project: Issuance Of Tax-Exempt Debt

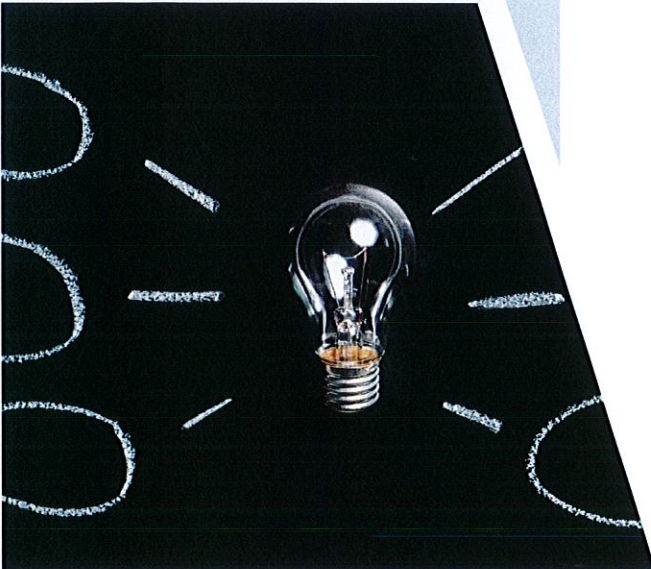


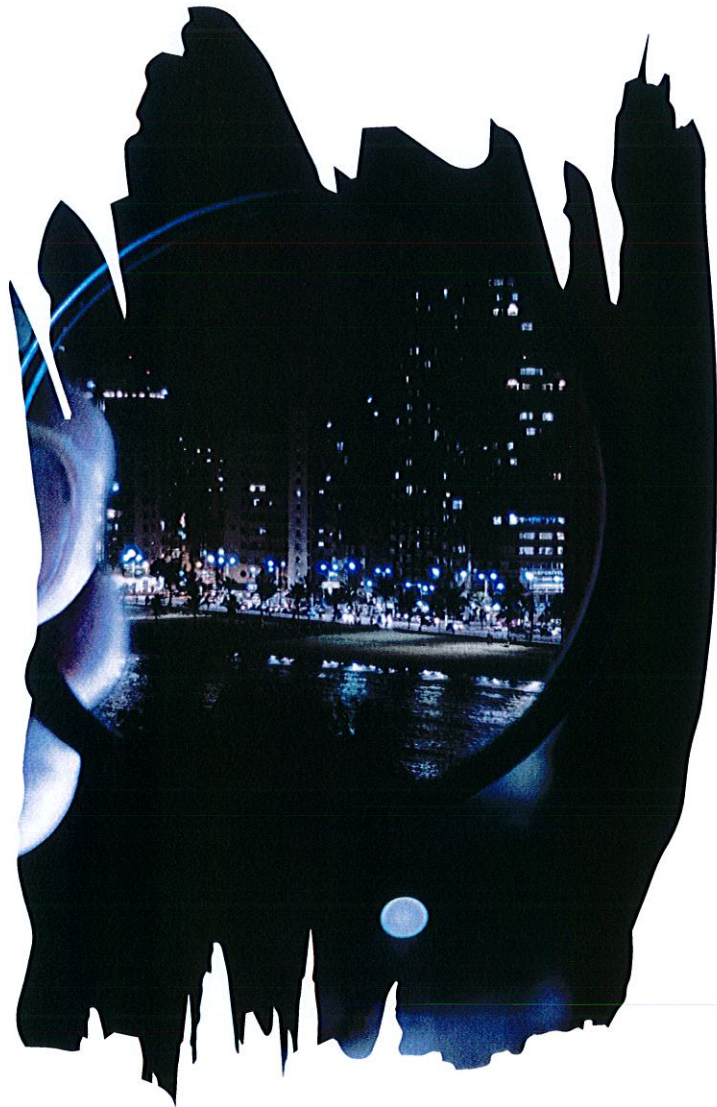
The use of a nonprofit project sponsor could facilitate the qualification of the project to receive public funds since the revenues of the project will not inure to any private party. It may also be possible for the nonprofit to issue public or privately-placed debt if the nonprofit can enter into fixed and certain, long-term contracts for the use of the facility



Notwithstanding the fact that the nonprofit corporation is a private corporation, it may qualify to issue tax-exempt debt if it satisfies certain IRS requirements, including those set forth in Rev. Rul. 63-20 and Rev. Proc. 82-26, as follows:

- a) The corporation must engage in activities which are essentially "public in nature."
- b) It must be not organized for profit.
- c) The corporate income must not inure to any private person.
- d) The State or political subdivision must have a "beneficial interest" in the corporation while the indebtedness remains outstanding.
- e) The corporation must be approved by the State or the political subdivision, which must also approve the specific obligations issued by the corporation.
- f) Unencumbered legal title in the financed facilities must vest in the governmental unit after the bonds are paid.





The rules for determining whether the governmental unit has the requisite "beneficial interest" in the nonprofit corporation are likewise quite straightforward

- a) The governmental unit must have exclusive beneficial possession and use of at least 95% of the fair market value of the facilities; or
- b) If the nonprofit corporation has exclusive beneficial use and possession of 95% of the fair market value of the facilities, the governmental unit appoints 80% of the members of the board of the corporation and has the power to remove and replace members of the board
- c) The governmental unit has the right at any time to get unencumbered title and exclusive possession of the financed facility by defeasing (paying off or providing for payment of) the bonds



V. CONTRACTUAL AGREEMENT



**PROJECT
DEVELOPMENT
AGREEMENT**



**OPERATIONS AND
MAINTENANCE
AGREEMENTS**



**DESIGN/BUILD
AGREEMENT**



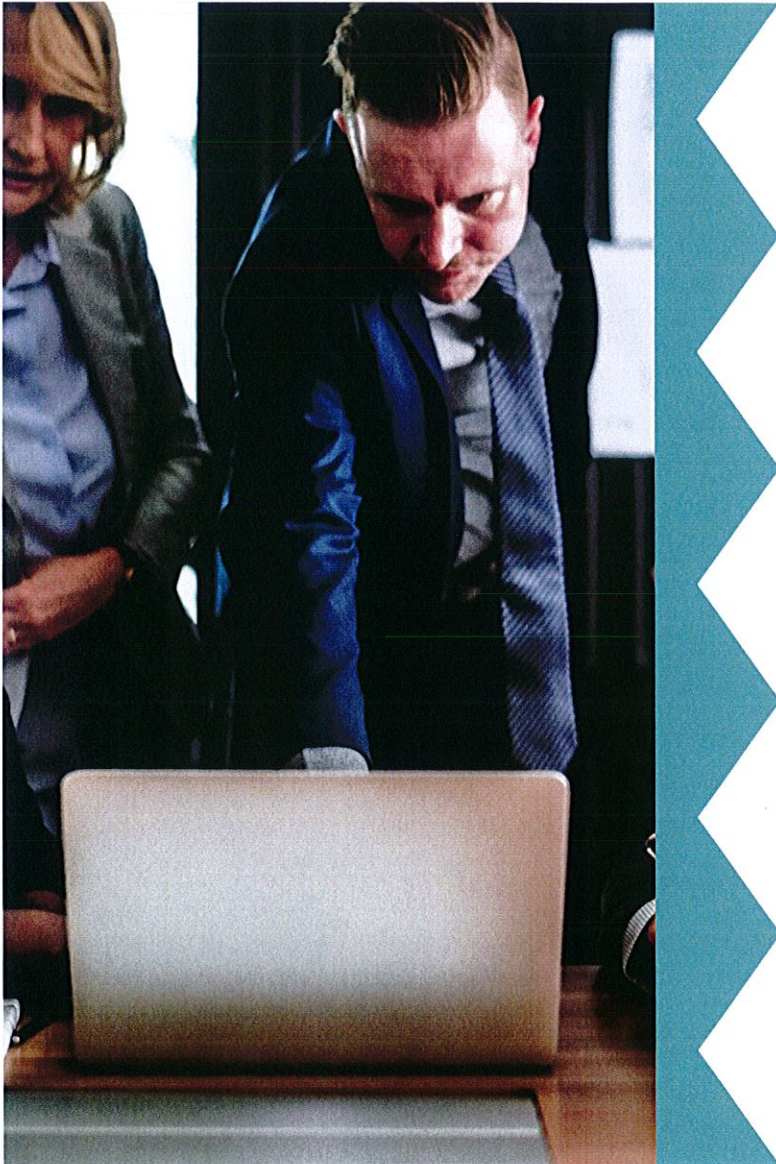
**TRUST INDENTURE
AND FINANCING
AGREEMENTS**



VI. ISSUES FOR GOVERNMENTAL UNIT: CONTROL V LIABILITY

- In a "63-20" project, the Agency may face a dilemma. If the Agency wants the nonprofit corporation to perform as its true "alter ego," it may want to take steps to insure it has the ability to exercise direct control. It could do this through reserving the right to appoint directors, or requiring Agency representation on the board
- In addition, the Agency may require the nonprofit corporation and its contractors to meet various conditions prior to commencement of construction or acceptance of the facility upon completion. The Agency will also want detailed reporting during both construction and operations





VII. ISSUE FOR DEVELOPER: PROTECTING RIGHTS TO MANAGE DEVELOPMENT AND CONSTRUCTION



- Typically the Developer will play the lead role in negotiating all the project agreements, without much substantive participation by the nonprofit corporation. The Developer will generally seek very broad authority vis a vis the nonprofit corporation to manage development, construction and operation under the Management Agreement
- The Agency, on the other hand, is going to want to ensure that all the substantive responsibilities of the nonprofit corporation



VIII. ISSUES FOR NONPROFIT: AVOIDING PERSONAL LIABILITY

The initial primary concern of the nonprofit corporation is avoiding liability, particularly personal liability of its board members. They may try to obtain broad indemnification from both the Agency and the private parties. Officers and director's insurance is advisable, but sometimes difficult to get for a start-up entity



Over the long-term, this entity will need some staffing. In some transactions, this can be provided by the Agency, which can give the Agency no small measure of practical control over the affairs of the nonprofit corporation

IX. CONCLUSION



To insure the long-term success of a 63-20 financing, the role of the nonprofit corporation must be properly understood by all the parties, including the private project sponsors as well as the authorizing governmental agency.

The fact that it is not formally under the control of either the governmental unit or any private party, means that all of the parties need to pay strict attention to their contractual rights under all the project documents. And further, since in a tax-exempt transaction, the private party has no long term equity interest in the project to protect, it is important that the project contracts grant the public agency participant an appropriate measure of supervision and control throughout the life of the project.



X. OUR APPROACH



UHGI is proposing we channel all Development/Redevelopment projects through our non-profit organization allowing tax paying residents to have a driver seat as investors in these projects. This means; through our organization we trace the dollar being spent for redevelopment and divide it by each household. Ultimately giving them their individual amount contributed towards redevelopment projects to claim on their Tax Returns at the end of the year.

We offer funding in multiple ways:

Traditional - 63'20'' Tax exempt bonds: Float municipal bonds representing on behalf of a Municipality

Modern – Member base matching: tax deductible contributions from small and large corporations as well as local, state and federal grants.

Our goals are to safe guard the public's interest in these projects, stop all cost of living increases on tax payers and redistribute surplus capital back into the inner city for projects that speak to the needs of the community when all massive redevelopment projects are finished.



X. OUR APPROACH



Option 1: Tax Exempt Financing

Enter partnership with Municipality/Finance Dept.

Finance 100% of the loan

Use Of 6320 tax exempt bonds

0% interest on all loans

This option allow full control by city with city appointed admin board

Option 2: Imperial Approach

Sponsor(s): Municipality/State/Federal

1. Property Tax base becomes our matching member base of investors. Contributions are tax deductible and claimed on taxes at the end of the year. Based on the number of household residents.
2. Using surplus capital or money assigned in the budget for Redevelopment: UHGI attaches it to our member base which is then used to apply for grants, tax deductible contributions and write offs from surrounding corporations to be used to fund redevelopment projects.
3. If an increase on your taxes or cost of living has occurred we make that increase tax deductible (deficit Cities).
4. Sponsoring Municipality gives us the option to incentivize members on the local as well as the federal level. It also gives us the power to trace development incentives in order to encourage corporations to give back to Redevelopment causes that tax payers benefit from.



X. OUR APPROACH



How it works

501c3 organization: funds donated, granted, or borrowed are represented by UHGI to multiply and used towards funding Redevelopment projects.

Example A:

City needs 400 million dollars

UHGI is chosen to raise funds on behalf of the City and its Residents

City Contributes funding available for matching (City as a Sponsor)

-100 million donated 30,000 residents- Portion of the donated amount is used to sponsor individual contributions and represents the amount available to claim per household at the end of the year on your taxes. For example 100 dollars of the 100 million represents the contribution per household once a month. This gives UHGI the monthly base needed to receive grants and contributions to put towards 400 million dollar goal.

Example B:

6320 organization: Funds Development/Redevelopment for public facilities such as City Halls, Libraries, Police and Fire stations, Public works facilities, College Dorms and Department buildings, Recreational Parks, Public Transportation, Utilities, Storm Water and sewage projects. Positioning this approach allows the license to contribute as a member and donate portions of projects financed towards other deficit projects or funding for social initiatives. Universalizing social infrastructure Redevelopment and using one organization allows the license to float wherever tax incentives are involved, and gives the tax payers their investor seat all over of the county and state not just within their city





Benefits:

- Saves cities hundreds of millions of dollars.
- Nationally positioned organization so we draw support from surrounding cities and states.
- Eliminate cost of living increases on tax payers and traditional toxic spending.
- Beautifying blighted communities
- Getting financial aid to municipalities incorporated or unincorporated where tax payers lack basic developmental needs.
- ROI for tax payers invested in Development and Redevelopment needs.

