Additional information required to the applicants and minutes of the clarification meetings

BPI

A- Additional information

1. Investment Policy

a) Please clarify what is the interest rate applicable to remunerate funds not invested (Section 1.4 of the Business Plan mentions a rate of "Euribor + 1.5%" while the rate used in the financial forecasts was "Euribor + 1%", as stated in pages 13 and 15 of the Business Plan). Additionally, please clarify the maturity of the reference rate (Euribor).

Banco BPI:

In Section 1.4. Banco BPI commits to remunerate funds not yet invested in urban projects or investment already repaid at a rate reflecting market conditions in a given period. This rate will never be below Euribor flat. We have not stated the maturity of this rate. In principle, it may be invested at Euribor 3-months but other maturities may be considered (Euribor 6 months or 1 year) which will be dependent on the disbursement profile of the signed operations.

In Section 1.4. we mention Euribor + 1.5% as the rate that BPI would be available to remunerate such funds <u>at the date of the Offer</u> (February, 07, 2011).

In the business plan, we have considered - as an assumption given the prevailing market conditions - Euribor + 1.0% for the rate of remuneration of such funds. This assumption is higher than the <u>minimum</u> rate that in section 1.4 Banco BPI commits to remunerate such funds which is Euribor flat.

b) Pages 5 and 6: BPI refers that the financing structure presented in its Offer will be defined on a case by case basis, after analysis by BPI of the Project risk and cash-flow expected profile or the project rate of return. Please confirm that within this case by case analysis BPI will also consider all the other elements referred to in page 28 of the CEoI, in particular in order to meet the relevant conditions arising from the EU regulations (and that BPI is aware and accepts that these elements may cause the adjustment of the general standard financing indicative solution presented in its Offer).

Banco BPI:

Banco BPI confirms all the other elements referred to in page 28 of the CEoI, in particular in order to meet the relevant conditions arising from the EU regulations. Banco BPI also confirms that is aware and accepts that these elements may cause the adjustment of the general standard financing indicative solution presented in its Offer.

2. Financial Forecasts And Operational Budget Of The UDF

a) Please clarify whether funds will be transferred to the JHFP on a cash-sweep basis (as mentioned in the third bullet of page 13) or if the "resources returned to the UDF from investments in Urban Projects will be reutilised in new Urban Projects" (as stated in Section 14 of the Offer).

Banco BPI:

As mentioned in section 1.2. and in Section 14, the reutilization/revolving of funds is one of the objectives of Banco BPI's proposed investment policy.

However, as stated in page 13 of the Offer, we have assumed in the financial forecasts, for the sake of simplification, that there is no reutilization/revolving of funds returned to the UDF by urban projects (our assumption was mentioned in Q&A #2, question 18). Therefore we have applied a cash sweep mechanism in the financial forecasts.

5. Governance Structure

a) Please detail the initiatives and the proceedings to be adopted by BPI in the management and administration of the loans to be provided, in particular after the amounts to be loaned by BPI itself being fully reimbursed (and, therefore, the only amounts outstanding would be the amounts loaned by the UDF).

Banco BPI:

As mentioned in Section 9, the initiatives and the proceedings to be adopted by Banco BPI in the management and administration of UDF loans (at any time, including in particular after the amounts to be loaned by BPI itself being fully reimbursed) will follow its usual standard business practices, as detailed in Appendix XII of our Offer.

That is to say that Banco BPI will apply to UDF funds the same Credit Assessment, Underwriting and Monitoring practices and the same Servicing and Recoveries procedures that it applies to its own funds, regardless of its own funds being fully reimbursed or not.

11. Term and Financial Conditions of the Operational Agreement With The JHFP

a) Please clarify the relation between the *cash sweep mechanism* referred to in the Offer, the purpose to have the amounts returned to the UDF reutilised (Section 14) and the term for the Operational Agreement referred to in this Section 11.

Banco BPI:

As mentioned above, we have assumed in the financial forecasts, for the sake of simplification, that there is no recycling of funds – therefore we have assumed in the financial forecasts a cash sweep mechanism for reimbursing JHFP funds (pages 13 and 15 of the Offer). We have considered that these assumptions would make the analysis of the UDF financial forecasts easier.

However, our proposal includes the recycling of funds, as mentioned in Section 14 of the Offer.

If the funds are effectively recycled (which Banco BPI will endeavour to achieve), or if the funds are drawn near the end of 2015, the initial term of 20 years for the Operational Agreement could be extended.

In fact, as long as there are UDF funds invested in urban projects (excluding write-offs), the Operational Agreement must be in force. If the EIB considers that the absolute maximum OA period is strictly 20 years, the reutilization of funds will have to be done for successive lesser periods and will not be done in the last years of that period.

12. Management Fee

a) Please clarify if, should VAT become applicable, the amount of Management Fee would be increased accordingly.

Banco BPI:

Should VAT become applicable, the amount of the Management Fee would be increased accordingly. Our understanding is that the Management Fee will not be subject to VAT.

13. Co-financing Leverage

a) Please clarify if you commit to provide co-financing at project level on a 1:1 basis with JESSICA funds.

Banco BPI:

BPI commits to provide co-financing at project level on a 1:1 basis with JESSICA funds except in certain exceptional circumstances (notably, in those, exceptional, cases where BPI's exposure limits with certain borrowers may have been reached).

In such cases, i.e., those in which BPI will not be able to commit to fully underwrite "Tranche B", Banco BPI will endeavour to place the relevant amount of senior debt with one or more relationship banks, in consultation with the Borrower.

B- Minutes clarification meeting 10th March 2011

By initiative of EIB, a clarification meeting with BPI took place on the 10th March 2011 at the EIB office in Lisbon. The following aspects of the Business Plan were discussed:

1. Co-financing at project level
BPI's offer provided co-financing at project level on a one to one basis. It was mentioned that the co-financing may not be fully subscribed in all cases. It was clarified that the only reason for not fully subscribe the co-financing tranche would be internal exposure limits problems with final beneficiaries. These cases were qualified as exceptional by BPI.

2. Conflict of interest
The Investment Committee proposed by BPI in the Offer was composed exclusively by internal members. BPI explained the rationale for not including independent experts as members of the Investment Committee as the role of this internal body was primarily designed to provide specific input on the "Jessica content" of each business proposal to be submitted to the various decision making layers of BPI. Nevertheless, BPI would remain available to discuss this and other possibilities that may be proposed at a further stage.

3. Financial product
BPI proposed to use the JHFP funds as subordinated debt. As a rule, neither capital nor interests were to be repaid on the JHFP tranche before the senior debt is fully repaid. Furthermore in some cases, included in the Offer on an illustrative basis, interests in the JHFP tranche were lower than the ones in the senior tranche. The EIB clarified that, notwithstanding proposals currently being reviewed by the Commission and EIB, subordinated debt was still considered as equity by the European Commission (EC) and therefore, by definition, sub debt at a cost lower than senior debt would not be eligible. The state aid scheme under preparation for JESSICA was briefly described. It was concluded that in any case, the pricing of the loans would have to be justified in all cases. Furthermore, the EIB advised that a clear pricing methodology should be put in place taking into account the various degrees of subordination that could be considered for Jessica's contribution. This issue would be discussed during the specific review of the Operational Agreement..

4. Management fee
It was clarified that from 2016 the management fee would be calculated out of the net invested capital as defined in p.29 of the Call for Expression of Interests.

5. Regional allocation
Replying to a question raised by BPI, the EIB clarified that they where informed that the eligibility rules for the POVT tranche would be identical to those applied in the regional tranches. However, following the meeting, EIB received information refuting the clarification given to BPI. In fact, Urban Projects to be developed with POVT resources do need to comply with specific POVT eligibility rules which are less flexible than the regional OPs'ones. The incompatibility between the flexible financial instrument proposed and the restrictive POVT eligibility rules will, as far as possible, be taken into account by EIB.

CGD/IHRU

A - Additional information

1. Investment Policy

a. In case the amount of funds assigned to CGD/IHRU is less than € 100M, what would your conditions be regarding the amount of co-financing both at the UDF and sub-UDF levels? Please clarify if the amount of co-financing remains unchanged, i.e., if you would still provide € 90M at UDF level and € 210M at the project level.

Our proposal calls for the financing of projects with a mix of JHFP, IHRU and CGD funds, which varies in accordance with the project characteristics. The reduction of JHFP funds will imply a reduction in the number of projects to be financed, and consequently in the amount of co-financing from CGD and IHRU.
If a capital change occurs in JHFP, it will have direct and proportional impact in the Consortium capital distribution. However, we emphasize that the minimum amount to which the Consortium is applying is € 30M.

b. Please clarify if there is any connection between the amount of co-financing proposed and the Lots to be assigned. Would you reduce the co-financing in case one or more Lots are not assigned to you?

Non assigning of a Lot, implies a reduction in the number of projects to be financed. In this regard we should emphasize that Lot 1 – OP North is a very important region as far as the number and amount of projects expected to be financed is concerned. The exclusion of Lot 1 would imply a significant reduction in the amounts to be financed. On the other hand, although the amount to the Lot 3 - OP Lisbon is substantially lower, it is also relevant to the consortium due the aggregating effect in terms of social and economic cohesion to the Lisbon area. The same principle goal remains for the other lots.

c. Please clarify if the allocation of amounts available between the alternative vehicles/instruments referred to in the Offer represent a rigid division or if it represents a privileged solution but where the potential excesses in relation to any of the vehicles/instruments could be utilized (v.g. redistributed) to face additional needs to be identified at a later stage in any of the other vehicles under the conditions to be further agreed in the Operational Agreement.

Allocation of amounts between the proposed vehicles is not rigid and can be changed to accommodate needs that are different from those forecasted in the proposal. This should however be done without increase of the co-financed amount, under the conditions to be further agreed in the Operational Agreement.

d. Please confirm that the in-kind contributions referred to in the Offer respect the conditions defined in the CEoI in relation to the Urban Projects to be financed within JESSICA Initiative; or

We confirm that in kind contributions will meet the requirements set forth in the CEoI. As indicated, such contributions will be participations in the Rental Housing Investment Fund. Also, as explained, there will be a small amount of JHFP funds involved in this vehicle. Due to the eligibility restrictions on structural funds the majority of the financing will be provided by CGD and IHRU. JHFP will not invest capital in in kind assets. All JHPF funds will be invested in improving energy efficiency in third party real estate.

e. Will you be able to convert the in-kind contribution to cash if necessary? In case the liquidation of the assets is deemed impossible or the value of the assets is less than the amount mentioned in the Offer (€25 M), is there any mechanism that ensures the conversion of the in-kind contribution at the aforementioned amount?

No, we will not be able to convert the in-kind contribution to cash. If real estate assets proposed to be integrated into FIIAH not meet the full value set, others will be incorporated until such amount will be completed, ie do not add more cash to the Fund. We do not consider this possibility, since its not the purpose of the creation of this SPV. We favour instead the creation of long-term value through rents. To convert the in-kind contribution to cash, would delay the process and diminish the impact of this vehicle. It should be noted, however, that all contributions in kind will be "duly and suitably" appraised (meaning evaluated). As a matter of fact Management Regulations for the Fund call for the evaluation from at least two expert evaluators, and for an update evaluation every two years or at any time that there are facts which might imply a significant change in value of the investments. This mechanism is subjected to CMVM supervision (Comissão do Mercado de Valores Mobiliários), which in turn improves data reliability. Nevertheless, as a safeguard, the contract can include a repurchase clause in certain conditions, to be discussed in the third stage.

2. Financial Forecasts and Operational Budget Of The UDF

a. Please clarify the meaning of the last paragraph in this section of the Offer. Does it concern the remuneration of the UDF or the project? Please provide hypothetical examples.

The remuneration concerns the UDF and not the project. Even though this issue was omitted in the CEoI, it is our understanding that the CGD/IHRU candidacy should be remunerated on the basis of the UDF performance. The remuneration amount will be negotiated between the three parties (JHFP, IHRU and CGD) and divided in different shares. As an example, we admit that JHFP share could vary between 50% and 100%. That is to say, that if the UDF IRR is 5%, then the share of the JHFP will be between 2,5% and 5% and the rest, if available, will be distributed by the other participants.

b. Please provide the elements necessary to validate the financial information, namely regarding the "consolidation of the models", as mentioned in the third paragraph of this section of the Offer.

In our proposal we've sent five Excel sheets and the digital copy. In the first sheet named "UDF Financial forecasts and operational budget", we've have done the consolidation of the four vehicles, as described in the remaining four sheets. The logic behind this financial model is that all UDF funds will be directed to the projects via one of these vehicles, so in that respect, By consolidating we obtain global UDF remuneration.

c. Please provide information regarding the remuneration of JESSICA funds not invested.

Current account balance remuneration will be the same has the present remuneration of JHFP deposits. A conta de depósitos à ordem será remunerada em condições análogas à que existe para os capitais actualmente depositados pelo JHFP.

4. Typology Of Urban Projects

a) On page 21, please clarify what you mean by "passing on part of the difference of the funding costs to the end costumer".

The fact that we get a lower cost of funding allows us to reduced spreads on the final credit customers.

b) On page 22 you refer large scale projects. What do you define as large scale projects?

"Large scale projects" was used to indicate institutional projects, which may include rehabilitation of public spaces, buildings, infrastructures which are generally of a larger dimension, than those financed to private owners for rehabilitation of their properties for subsequent renting. Generally, these are public led projects of a larger dimension than those financed to private owners.

c) Please clarify in page 24 that the investment in projects with loans that are granted for more than 20 years are not with JESSICA funds, since those are limited to a maximum of 20 years.

JHFP funds will be recovered within a 20 years period.

5. Methodology For The Identification And Evaluation Of Projects

a) Please clarify if there is a firm commitment to allocate the loan co-financing amounts at project level and how the selection of projects will be directed towards this goal or if this is just a best effort.

IHRU and CGD are committed to allocate the loan co-financing amounts at project level and will actively demand publicly and privately led projects, to ensure that such amounts are invested in the agreed period.

b) Please detail how do you propose to ensure the compliance with ERDF rules and investment timelines as defined in the CEoI (objectives for 2013, 2014 and 2015).

IHRU and CGD will work with Urban Rehabilitation Companies (SRU's) to, propose financing solutions to private or municipal projects ready to be started, but awaiting financing. IHRU and CGD will also work with Local Partnerships already created within the Policy for Cities program- Polis XXI ("Parcerias para a Regeneração Urbana")- presently about 90 have already been constituted.

6. The Policy of The UDF Concerning The Exit From Urban Projects

a) Please clarify how the money will be returned from the projects in the 20 years limit in the loan case, and how the money will be reimbursed to the JHFP after one or more applications.

Reimbursement of loans will continue to finance the Credit Lines established until they are terminated, in accordance a decision for that purpose from CGD, IHRU and JHFP. Once credit lines are terminated, reimbursement of loans will be done in proportion of the funds by source, which were invested.

7. Legal and Ownership structure

a) Please detail the final terms of the cooperation agreement/MoU to be signed in the near future between CGD and IHRU not only as to the matters to be governed but also in relation to the main solutions to be adopted.

The memorandum of understanding between CGD and IHRU depends on the operational agreement terms to be signed with JHFP but also the Escrow account terms. For this reason, it is not possible, at this stage, to give you a draft of the understanding.

Nevertheless, we think that the memorandum should regulate the terms by which all involved participate in the Jessica ruling committee. This will include a wide number of aspects that still have to be detailed, like human and financial resources and the way they become available, operational decision making, costs and profits sharing.

We can only present to you the information as stated in the general cooperation agreement between CGD and IHRU, since we are not able, at the present time, to give you more information until the final contract is drafted between the two parts. At this stage, and since all the agreement details will be part of, either the Deposit Contract or the Escrow Deposit Contract, we don't deem it necessary or possible at this moment to go further.

b) Please clarify the relation to be established between the Operational Agreement and the Escrow Account Agreement referred to in the Offer.

To our understanding, all the main operational obligations are stated in the "Appendix D" and "Call". To that purpose, the Escrow Deposit Contract will include all operational agreement obligations, but also other necessary requirements to assure CGD and IHRU full management capacity, which in turn should contribute to the accomplishment of the Jessica objectives.

Thus, the Escrow Deposit Agreement will be based on the Operational Agreement.

The Operational Agreement will define the manner in which the funds can be used and will. The applicable clauses will be adopted by the Escrow Account Agreement.

c) We assume that the Escrow Account Agreement is intended to increase the protection and security of the operation to JHFP and, therefore, is intended to "encapsulate the conditions that JHFP aims to secure with the consortium". Notwithstanding this purpose, please consider (only as a hypothetical situation) that JHFP would not be available to enter into any contract with the consortium other than the Operational Agreement referred to in the CEoI: how would this hypothetical situation impact in your Offer?

There would be no impact in our Offer if the only parties to the Escrow Account Agreement are CGD and IHRU. The signing of the Escrow Account Agreement by JHFP was foreseen at JHFP's discretion.

If the EIB wishes to sign the Operational Agreement, this should be done only between the EIB and the management entities (CGD and IHRU). The latter should then celebrate the Escrow Deposit Agreement between themselves, which is considered a necessary requirement for the FDU to exist. In the beginning, all funds from EIB, CGD, IHRU and other members will be deposited in this fund.

d) Please confirm that the financial vehicles to be incorporated are exclusively intended to channel the funds to the Urban Projects and will not act as project developers or owners of the Urban Projects to be financed.

We confirm that the proposed financial vehicles will not act as project or owners of projects to be financed.

However, the FIIAH will also be used to develop projects of others.

8. By-Laws

a) Please clarify under which institution's licence the vehicles will be created?

Banco de Portugal (BdP) and the *Comissão do Mercado de Valores Mobiliários* (CMVM) are the sole entities responsible for vehicles supervision. BdP is responsible for credit concession terms and collaterals (credit lines) and CMVM supervises vehicles activity, namely Funds. Both, CGD and IHRU are legally authorized to lend and/or give collaterals.

(The documents were already presented in stage 1)

b) We assume that the by-laws of the vehicles to be incorporated will respect the standard content usually used in this kind of documents. Please confirm. When applicable, please detail any possible specificities you intent to include in these documents.

We confirm that the by-laws are standard for this type of documents. They can contain, however some specific clauses to safeguard Jessica requirements, such as, stating that the funding was given through Jessica and also stating its purpose, as defined by the program.

9. Governance Structure

a) Please detail rules and proceedings to be observed by the UDF when financing non-eligible costs to be financed by funds provided by CGD, IHRU or third parties.

In the case of loans there will be separate specific funding for the financing of the different components of the project costs. The rate of interest to be charged will be calculated as the weighted average of the rates associated to the different funds (i.e. CGD, JESSICA, IHRU). In the case of FIIAH and Equity Securities Fund, eligible and non-eligible costs will be segregated for the purpose of financing from different sources.

Thus, the eligible funding will come from UDF credit lines and the non-eligible funding will come directly from the Consortium's capital.

b) Please clarify last paragraph of this section. Please confirm that the idea is to have the Urban Projects to be financed approved by the JESSICA Investment Committee in an individual basis (rather that to have the JESSICA Investment Committee only approving the "generic" decision to incorporate or to participate in one given equity vehicle).

Approval of individual Urban Projects to be financed will require expressed approval of the JHFP Investment Committee.

c) Please confirm that the entities in charge of the managements of the funds to be incorporated will commit themselves to the relevant terms of the Operational Agreement.

We confirm that the entities in charge of the management of the funds to be incorporated will commit themselves to the relevant terms of the Operational Agreement.

d) Please confirm that the information on accounting position, the activities and the economic and financial status of all the equity vehicles to be incorporated or participated by the consortium will be included (on a consolidated and on an individual basis) in the reports to be periodically delivered to JHFP in relation to the UDF on the same matters.

We confirm the supply of such information as required by the Operational Agreement.

e) Please detail the initiatives and the proceedings to be adopted by the consortium in the management and administration of the loans or equity to be provided, including in the cases where any amounts to be invested by CGD and IHRU are reimbursed with priority (and, therefore, the only amounts outstanding would be the amounts loaned by the UDF).

We do not foresee priority reimbursements of funds of any sources.

Reimbursements between lines of different partners will be made *pari passu* (ie equal footstep).

11. Terms and Financial conditions

a) Could you please detail the information provided in this section in order to allow a deeper analysis of the financial conditions. Is there a quantified project list that supports the calculations that can be sent in order to assess in more detail the soundness of the projections and the adherence between the market value and the projects foreseen to support?

Calculations were based on CGD's and IHRU's experience on this type of market. However they are supported by examples of existing projects.

It was not presented any concrete project once we are through a process with no guarantees of success, so it seems wrong to raise expectations to any individual projects managers.

12. Management Fee

a. Please clarify if, should VAT become applicable, the amount of Management Fee would be increased accordingly.

This question will require special attention, in the negotiation stage, since it is dependent on the terms of the Operational Agreement. If we consider it as rendering a service, the VAT should be added to the fee value. On the other hand if we consider it, as a financial service, we can recover the VAT before we pay for the stamp tax. Against a backdrop of services, the VAT be in addition to the fee value. If, on the other hand, we stand before the provision of a financial service, then we will be unable to recover VAT before the Stamp Tax, the rate of 4%.

b. Please confirm that the fees to be paid to the Management Bodies, as referred to in page 30, is the Management Fee referred to this section 12 and that no other payment would be due to the consortium.

We confirm that no other payment will be due by JHFP to the consortium. See also answer 12. d) and e).

c. Please clarify what is the contingent factor of the success fee (last sentence of page 38). What are the basis for calculation, when is it due and the period where it applies.

The success fee, shall be due at completion time of each project and paid on all capital invested. The application period will be established by JHFP until 2015.

d. In the financial model no management fee is charged from 2015 onward, do you propose a 0% fee structure for that period?

Yes, however, the costs of each vehicle will be provided, as explained in answer to question 12. e), by the income generated from them.

e. Please confirm that the global amount corresponding to the Management Fee already includes the fees to be paid to the depositories and companies in charge of the management of the funds to be incorporated as sub-UDFs.

No, the commission is intended only to cover the cost of managing the UDF, since each of the four vehicles should, on the principle, generate sufficient income to meet its own operational costs, including, expenses with the renovation works, project management and commissions. In the case of equity funds it has also supervisory and depository commissions. The vehicles will have equity of the normal costs of development projects as well as management fees and deposit normal in this type of financial instrument. The values that were used in the financial model is treated net amounts, since the projects themselves will have to bear the costs of their development and management by the fund or company where you are parked.

13. Co-financing Leverage

a) If the amounts awarded by JHFP change in column 1 of the table in page 39, do you maintain the values presented for CGD and IHRU in the same table?

No, it will vary in their proportion. See also answer 1. a).

b) In the paragraph 2 page 29 of the Call for Expression of Interests, it is written: “If the UDF foresees a combination of its Management Fee proposal with remuneration received also from Urban Projects this will have to be clearly stipulated in its Offer.” Consequently, please clarify the management fee structure (both definition and calculation) for both UDF and sub-UDFs. This exhaustive clarification should include a brief description, a quantification (in %), a calculation basis (paragraph 7 page 29) and a payment source (paragraph 10 page 30) for each of the components foreseen.

It is estimated that the following commissions will be charged to the Equity Funds:
Management fee– between 1% and 1.3% (includes management of rental buildings)
Depositary Bank fee – 0.05% to 0.07%
Supervision fee– 0.0133 and 0.0266 per 1.000 (to be paid to Lisbon Securities and Exchange Commission – CMVM)
These commissions, which are not applicable to the Credit Lines proposed, are due since the date of creation of each fund up to its extinction.
They may or may not be charged by companies of the CGD group, although we feel that this will be the best solution, since it will benefit from the group’s synergies.

We understand however, that these commissions should not be considered as UDF management revenues, because, in accordance with Portuguese legislation on this matter - CMVM Regulation 8/2002 - Real Estate Investment Funds –those are funds’ own costs and are designed to support charges related with management of projects and buildings and with the subcontracting of entities specialized in the management of such type of assets (e.g. management of condominiums)

14. Reutilisation of resources

a) Please clarify if the in-kind capital return at the end of the vehicles’ validity period is assumed by the other parties and the JESSICA return is cash only that may be re-used by other vehicles or be reimbursed to the JHFP.

Yes. It will be assumed by the Consortium or sold to third parties. The capital raised in this way should be reused by other vehicles or refunded.

b) Could you please detail your Offer in relation to any possible “risk sharing element” and on the winding-up solutions to be adopted as to the support to be granted through equity?

Since the Consortium will also participate with equity in either the funding or in the vehicles, will be sharing risk with the JHFP. As for the residual value, we expect to sell part of the assets during lifetime, and the vehicle could be empowered at the end of its useful life, either trough the selling of its shares in the market or by a Consortium stake, as in similar vehicles for urban rehabilitation.

B - Minutes clarification meeting 10th March 2011

By initiative of EIB, a clarification meeting with CGD and IHRU took place on the 10th March 2011 at the EIB office in Lisbon. The following aspects of their Business Plans were discussed:

1. MoU/ Cooperation Agreement between CGD and IHRU

CGD and IHRU decided to submit a single offer in the form of a consortium. However no formal document was sent to formalize this consortium. As stipulated in the Call for Expression of Interests (CoEI), in case an offer is submitted by a consortium, a cooperation agreement signed by each member should have been annexed to the offer. It was decided that, a cooperation agreement describing the role and responsibilities of each of members of the consortium would be submitted to EIB by the 18th March 2011. The MoU was sent on 18th March 2011:

MEMORANDO DE ENTENDIMENTO

para a constituição de um consórcio entre a Caixa Geral de Depósitos, SA (CGD) e o Instituto da Habitação e da Reabilitação Urbana, IP (IHRU) para candidatura única e conjunta no âmbito da iniciativa JESSICA com vista à gestão dos fundos que venham a ser atribuídos pelo Jessica Holding Fund Portugal (JHFP)

CAIXA GERAL DE DEPÓSITOS, SA, pessoa colectiva n.º 500960046, matriculada na Conservatória do Registo Comercial de Lisboa sob o mesmo e único número, com sede em Lisboa, na Avenida João XXI, n.º 63,1000-300 Lisboa com o capital social de 5.050.000 de euros, adiante designada por **Caixa** ou **CGD**, neste acto representada pelo Senhor Paulo Alexandre Duarte de Sousa

IHRU **Instituto da Habitação e da Reabilitação Urbana**, IP pessoa colectiva n.º 501460888, com sede em Avenida Columbano Bordalo Pinheiro, nº 5 1099-019 Lisboa, adiante designado por **IHRU**, neste acto representada pelo Senhor António José Mendes Baptista;

Ambas designadas, em simultâneo, como Partes

CONSIDERANDO QUE:

a) A Comissão Europeia e o Banco Europeu de Investimento, em estreita colaboração com o Banco de Desenvolvimento do Conselho da Europa, criaram um instrumento financeiro denominado "Iniciativa JESSICA" (Joint European Support for Sustainable Investment in City Areas), que é desenvolvido pelo Banco Europeu de Investimento (BEI) e que consiste na aplicação de fundos estruturais comunitários, postos à disposição dos Estados-Membros, para a prossecução de planos integrados de desenvolvimento urbano, com vista à regeneração urbana;

b) No âmbito da dita Iniciativa, foi criado o Fundo denominado JESSICA HOLDING FUND PORTUGAL (adiante designado por JHFP), cuja gestão está entregue ao BEI;

c) Igualmente neste âmbito, o BEI abriu um concurso (designado por "Call for Expressions of Interest", com a referência KB-940) com a finalidade de conceder a gestão do montante de €130.000.000,00 (cento e trinta milhões de euros) a uma ou mais entidades que aplicarão o referido montante no desenvolvimento de projectos urbanos incluídos em planos integrados de desenvolvimento, sitos em Portugal Continental, nos termos e condições enunciados na dita "Call".

d) A gestão do mencionado montante será entregue às entidades cujas candidaturas sejam seleccionadas pelo BEI, mediante a celebração de um contrato denominado "Operational Agreement", entre tais entidades e o JHFP, sendo que este último pagará uma comissão de gestão às ditas entidades, calculada sobre o montante concedido à(s) entidade(s) seleccionada(s);

e) Na primeira fase de candidaturas à Iniciativa JESSICA, a CGD e o IHRU, manifestaram, separadamente, o seu interesse em concorrerem à gestão do supra mencionado montante e foram admitidas a concorrer como tal; e

f) Na segunda fase, a CGD e o IHRU, entenderam consorciar-se, entre si, apresentando uma candidatura única e conjunta à gestão dos Fundos JESSICA.

Nesse sentido, o IHRU e a CGD acordam a celebração do seguinte Memorando de Entendimento:

I- CONSÓRCIO

1. As Partes acordam consorciarem-se, entre si, no sentido de agirem de forma concertada para apresentarem uma candidatura única e conjunta, no âmbito da Iniciativa JESSICA, levada a cabo pelo JHFP e pelo BEI, bem como a celebrarem, conjuntamente, com o JHFP o "Operational Agreement" que lhes conferirá a gestão dos montantes que lhes vierem a ser concedidos pelo JHFP, no âmbito da dita Iniciativa JESSICA.
2. O objectivo dessa candidatura é a constituição de instrumentos financeiros para o financiamento de projectos de desenvolvimento urbano nos termos do *Business Plan* em anexo, parte integrante deste Memorando de Entendimento.
3. O consórcio destinar-se-á à realização e prática de actos materiais e jurídicos, incluindo os necessários actos acessórios e/ou preparatórios, indispensáveis à gestão do montante que o JHFP vier a conceder ao consórcio, no âmbito e para as finalidades da Iniciativa JESSICA.
4. A gestão prevista no número anterior inclui, nomeadamente, a recepção, análise e aprovação das candidaturas de terceiros à obtenção de financiamento e/ou garantias para o desenvolvimento de projectos urbanos, no âmbito da Iniciativa JESSICA.

5. O consórcio exercerá a gestão prevista no número 3 anterior, de forma zelosa e diligente, cumprindo a legislação aplicável e vigente, bem como observando todas as exigências previstas pela Iniciativa JESSICA.
6. A responsabilidade de cada uma das partes no consórcio é a seguinte:

CGD: 52%

IHRU: 48%

II- LÍDER DO CONSÓRCIO

1. A CGD será o lider do consórcio.

2. Compete ao lider do Consórcio:

a) Celebrar o "Operational Agreement", com o JHFP, em representação do Consórcio;
b) Receber do JHFP quaisquer declarações relativas ao "Operational Agreement";
c) Receber de terceiros, bem como do JHFP, quaisquer importâncias por eles devidas às Partes e disso dar a correspondente quitação, bem como para reclamar dos mesmos o cumprimento das suas obrigações para com as Partes;
d) Em casos especificos, contratar consultores económicos, jurídicos, contabilisticos ou outros adequados às necessidades e remunerar esses serviços;
e) Representar o Consórcio nas relações com o JHFP, para efeitos de análise, acompanhamento, fiscalização, controlo e auditoria da gestão desempenhada pelo Consórcio no âmbito da Iniciativa JESSICA e assegurar a transmissão de informação e diligências, por si desenvolvidas, ao IHRU;
f) Disponibilizar, nos prazos estabelecidos, os elementos que lhe sejam solicitados (seus e do IHRU), pelo JHFP, relativos à gestão desempenhada pelo Consórcio, no âmbito da Iniciativa JESSICA, para efeitos do disposto na alínea anterior, bem como para a análise, acompanhamento, avaliação de resultados e impactos;
g) Dispor de um processo relativo à recepção, análise e aprovação das candidaturas de terceiros à obtenção de financiamento e/ou garantias destinadas ao desenvolvimento de projectos urbanos no

âmbito da Iniciativa JESSICA, bem como recolher e arquivar toda a documentação inerente, quer às meras candidaturas, quer às candidaturas aprovadas e financiamentos e garantias concedidos;

h) Assegurar a demonstração do cumprimento das obrigações legais, designadamente perante a Administração Tributária e perante a Segurança Social de cada uma das Partes, bem como de outras condições a que estes estejam obrigados;

i) Contratar ou adjudicar a outras empresas as prestações de serviço que se afigurarem como necessárias para a boa prossecução dos compromissos do Consórcio no âmbito deste processo.

II- COMPETÊNCIA DAS PARTES

a) Cumprir as obrigações legais, designadamente perante a Administração tributária e a Segurança Social;

b) Disponibilizar ao Líder do Consórcio, sempre que necessário, e em tempo útil, de forma a que sejam cumpridos os prazos estabelecidos, os elementos necessários ao bom desempenho das suas competências ;

c) Comunicar ao Líder do Consórcio, todas as alterações ou ocorrências relevantes que ponham em causa a continuidade da actividade do Consórcio, bem como o cumprimento das obrigações assumidas no "Operational Agreement", celebrado com o JHFP;

d) Afectar os meios humanos necessários ao bom desempenho do Consórcio, para o exercício da actividade deste e para o cumprimento das respectivas obrigações legais e contratuais;

e) Na medida em que seja aplicável, atentas as funções desempenhadas no âmbito do Consórcio, criar um sistema contabilístico separado ou um código contabilístico adequado, para todas as transacções relacionadas com a gestão desempenhada pelo Consórcio no âmbito da Iniciativa JESSICA;

f) Analisar as candidaturas apresentadas por terceiros à obtenção de financiamento e/ou garantias para o desenvolvimento de projectos urbanos, no âmbito da Iniciativa JESSICA.

g) Identificar projectos de desenvolvimento urbano que possam ser enquadrados na Iniciativa JESSICA e, consequentemente, beneficiarem dela.

h) Fixar no contrato de consórcio a celebrar a distribuição dos montantes a receber bem como a participação nas despesas e responsabilidades decorrentes da actividade.

i) Criar um comité de investimentos JESSICA, no âmbito do modelo de governação a estabelecer, constituído por representantes do IHRU e da CGD o qual decidirá sobre a aprovação dos projectos a financiar nos termos e com as competências constantes do *Business Plan* em anexo, parte integrante deste Memorando de Entendimento.

Feito em duplicado a 7 de Fevereiro de 2011,

A CAIXA GERAL DE DEPÓSITOS, SA

O INSTITUTO DA HABITAÇÃO E DA REABILITAÇÃO URBANA, IP

A. J. Mendes Baptista

2. Escrow account agreement to be signed by CGD, IHRU and JHFP

In their offer, CGD and IHRU proposed to sign an escrow account agreement with the JHFP. It was clarified that the only agreement to be signed with the selected Urban Development Fund (UDF) manager would be the Operational Agreement as stipulated in the CoEI. Furthermore, the signature would be between JHFP and the leader of the consortium (to be defined in the cooperation agreement).

Additional Information about the escrow account agreement:

<u>Principais características do *Escrow Account*</u>

I – Contas inerentes ao Contrato de Depósito *Escrow*

O contrato de depósito *Escrow* permitirá à CGD tornar-se depositária do montante que vier a ser atribuído ao Consórcio CGD/IHRU, para efeitos de gestão desse montante no âmbito da Iniciativa JESSICA. Nessa medida, a CGD abrirá uma conta com esse montante (conta principal), cuja titularidade será da CGD e do IHRU. O saldo dessa conta será utilizado para a concessão de linhas de crédito e para a aquisição de *equity,* financiando assim os projectos de desenvolvimento urbano, no âmbito da Iniciativa JESSICA. Assim, a conta será debitada sempre que o Consórcio CGD/IHRU concederem crédito para o financiamento de projectos urbanísticos ou adquiria *equity*, tudo no âmbito da dita Iniciativa.

Associada a esta conta, estarão duas outras contas. Uma (conta de entrada de capitais), cujo saldo inicial será zero e nela serão depositadas, quer as amortizações dos créditos realizadas pelos beneficiários finais das linhas de crédito, quer os montantes resultantes das alienações de *equity.* Outra, que será uma conta de títulos/de instrumentos financeiros, na qual serão registados e depositados os instrumentos financeiros (*equity)* adquiridos pelo Consórcio CGD/IHRU no âmbito da dita Iniciativa.

Naturalmente que a conta de entrada de capitais é uma simples conta de passagem, para que o consórcio possa melhor controlar a saída e entrada de dinheiros, facilitando, também, as necessárias auditorias. Todavia, os montantes que forem depositados nessa conta transitarão para a conta principal e desta será feita a reutilização do capital em novos financiamentos ou nova aquisição de *equity* ou para o reembolso ao JHFP.

A conta de títulos, que será também titulada em nome da CGD e do IHRU é necessária por força da lei portuguesa que determina que os instrumentos financeiros têm de ser depositados e/ou registados numa conta de títulos. Os instrumentos financeiros depositados ou registados nesta conta serão apenas movimentáveis pela CGD e pelo IHRU.

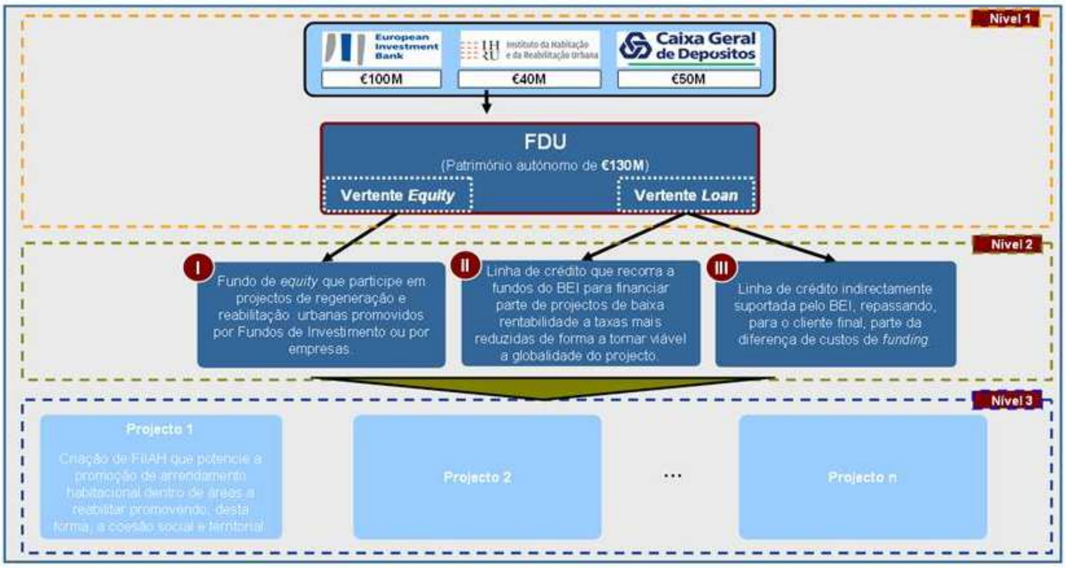
II – Participação da CGD e do IHRU e de eventuais futuros depositantes aderentes

Como já o dissemos anteriormente, o depósito *escrow* será criado através de um contrato inicialmente celebrado apenas pela CGD e pelo IHRU. Nele, além de ser depositado o montante que vier a ser atribuído ao Consórcio CGD/IHRU, pelo JHFP, serão também depositados os montantes provenientes da CGD e do IHRU, bem como os dos futuros depositantes aderentes.

No que respeita aos depositantes aderentes, os mesmos aderirão ao depósito *escrow* mediante a celebração de um contrato de adesão com a CGD e o IHRU, no qual ficarão regulados, nomeadamente, os montantes dos respectivos depósitos, o rendimento que lhes será pago pelo depósito *Escrow* (e que resultará da gestão feita pela CGD/IHRU), a forma de saída do depósito e o reforço dos seus depósitos.

Mediante o contrato de adesão, os depositários aderentes ficarão a conhecer e ficarão obrigados aos termos e condições do contrato *escrow*, na medida em que estes lhes sejam aplicáveis, pois haverá termos e condições que apenas serão aplicáveis à CGD e ao IHRU, na medida em que apenas se reportarão a aspectos de gestão dos montantes depositados.

3. Rental Housing Investment Fund (FIAH) sub-UDF
This vehicle was considered as a sub-UDF but, as stipulated in the CoEI, the UDF managers “must not be project developers or the owners of the assets”. Therefore CGD and IHRU agreed to provide an updated operational structure of the UDF and sub-UDFs by the 18th March 2011. Information received on the 18th March:



4. Allocation of the co-financing per lot
In their offer CGD and IHRU mentioned a 90% co-financing at UDF level and 210% at project level. A question had been sent to clarify the co-financing structure per lot but the answer received was not precise enough. Therefore CGD and IHRU were asked to fill a table with the required information. Below the filled table:

Lot	Maximum	Co-financing UDF level	Co-financing project level	Co-financing total
North	30	27	60	87
Centre	20	18	35	53
Lisbon	5	4.5	50	54.5
Alentejo	10	9	10	19
Algarve	5	4.5	10	14.5
Territorial	30	27	45	72

Enhancement				
Total	100	90	210	300

In case a lot is not fully awarded, the co-financing would decrease proportionally.

Turismo de Portugal

1 Investment Policy

a) Please clarify how you propose to allocate each Lot's funds among the financial vehicles suggested.

	Mandatory Amount by Entity						Mandatory Amount by Financial Vehicle					
	JESSICA Target amount (in EUR m)		Turismo de Portugal Target amount (in EUR m)		UDF-Turismo Target amount (in EUR m)		FCR Target amount (in EUR m)		Loans Target amount (in EUR m)		FIIT Target amount (in EUR m)	
	Min	Max	Min	Max	Min	Max	Min	Max	Min	Max	Min	Max
Norte	20	20	5	5	25	25	0	0	15	15	10	10
Centro	10	10	2,5	2,5	12,5	12,5	0	0	7,5	7,5	5	5
Lisboa	5	5	15	15	20	20	5	5	7,5	7,5	7,5	7,5
Alentejo	10	10	2,5	2,5	12,5	12,5	0	0	7,5	7,5	5	5
Algarve	5	5	5	5	10	10	5	5	5	5	0	0
POVT	10	10	0	0	10	10	0	0	5	5	5	5
Total	60	60	30	30	90	90	10	10	47,5	47,5	32,5	32,5

b) Please clarify if the allocation of amounts available between the alternative vehicles/instruments referred to in the Offer represent a rigid division or if it represents a privileged solution but where the potential excesses in relation to any of the vehicles/instruments could be utilized (v.g. redistributed) to face additional needs to be identified at a later stage in any of the other vehicles under the conditions to be further agreed in the Operational Agreement. The same would apply to the allocation of amounts referred to in pages 14 and 29: please confirm.
Turismo de Portugal hereby reaffirms its intention to establish a flexible allocation mechanism for the funds attributed to each vehicle/instrument in accordance with the urban projects presented in the meanwhile and subsequently analysed as well as their respective frameworks for implementation.
We would further request clarification as to the information to be obtained regarding the sums detailed on pages 14 and 29: which amounts do the information requested relate to?

c) In case the amount of JESSICA funds assigned to Turismo de Portugal is less than € 60M, would the amounts of co-financing for each Lot, as well as their distribution among the Lots, remain unchanged?
Turismo de Portugal hereby reaffirms its availability to embark on the negotiation process (3rd phase) based upon the total of € 30 million in JHFP funding. Should Turismo de Portugal fail to obtain JHFP funding for the six categories applied to, it shall undertake the revaluation of the levels of co-financing released from the categories in which JHFP funding was not obtained in accordance with the co-financing structure for the categories for which JHFP funding was received as detailed on table 1, page 9 (the methodology for reallocating the co-financing released might be fine tuned during the negotiation phase).

d) Please clarify what is the interest rate applicable to remunerate JESSICA funds not invested.
The non-applied funds shall be remunerated at the rate of 1.753% (IGCP – Portuguese Institute of Treasury and Public Credit Management) for sums allocated in loans and at the rate of 3.0% for sums allocated to the real estate property and risk capital funds.

7 and 8. Legal And Ownership Structure of the UDF TP

a) Please confirm that the financial vehicles to be incorporated are exclusively intended to channel the funds to the Urban Projects and will not act as project developers or owners of the Urban Projects to be financed.
Yes, we do correspondingly confirm that the three financial sub-vehicles are exclusively destined for awarding the funds to urban projects and acting neither as promoter or owner of Urban Projects receiving FDU – Turismo financing.

b) We assume that the by-laws of the two funds to be incorporated will respect the standard content usually used in this kind of documents. Please confirm. When applicable, please detail any possible specificities you intent to include in these documents.
We would confirm that the statutes of the two funds are in full compliance with the rules and specifications applicable under the juridical regime in effect for such instruments.

c) Please detail the proceedings and rules to be adopted by the "regulatory act" referred to in the Offer in order to ensure the complete segregation of the "separate block of finance" from the other activities, assets and liabilities of Turismo de Portugal.
The regulatory act that shall determine the amount to be awarded to sub-vehicle 1 - separate block of finance, that shall incorporate both the JESSICA and the Turismo de Portugal, I.P. financing, shall be purpose dedicated to the granting of the loans to be awarded under the auspices of FDU – Turismo and furthermore defining the terms of these loans (project typology, total of financing awarded, terms of repayment and default and interest rate).
The regulatory framework shall similarly stipulate the rules to be applied so as to ensure both accountancy autonomy and that all investment related transactions are carried out through recourse to FDU – Turismo funding and separate to other Turismo de Portugal, I.P. activities
In order to also ensure the appropriate accountancy practices are in effect at the FDU – Turismo, Turismo de Portugal undertakes to set up a specific cost centre handling all related income, costs, assets and liabilities. In addition, purpose dedicated bank accounts shall be opened with the objective of correctly identifying all balances and transactions carried out within this scope.
Financial audits are to be carried out at this specific cost centre on an annual basis.

d) Please confirm that the information on accounting position, the activities and the economic and financial status of all the fund vehicles to be incorporated or participated by Turismo de Portugal will be included (on a consolidated and on an individual basis) in the reports to be periodically delivered to JHFP in relation to the UDF on the same matters.
We confirm that the reports to be periodically delivered to JHFP include information on the accountancy position, ongoing activities and the economic and financial position of all vehicles FDU - Turismo (on both a consolidated and individual basis).

e) Please confirm that the entities in charge of the managements of the funds to be incorporated will commit themselves to the relevant terms of the Operational Agreement.
We hereby confirm that all entities responsible for vehicle management shall fully comply with the terms of the Operational Agreement.

f) Please detail the initiatives and the proceedings to be adopted by Turismo de Portugal in the management and administration of the loans or equity to be provided, including in the cases where any amounts to be invested by Turismo de Portugal are reimbursed with priority (and, therefore, the only amounts outstanding would be the amounts loaned by the UDF).
Turismo de Portugal and the respective FDU - Turismo management entities shall accompany and monitor the implementation of projects financed through recourse to the following procedures:
analysis of documents submitted as proof of expenditure, which are to be duly certified by either an Auditor or a Chartered Accountant in the majority of cases,
visits to investment locations.
The supervisory procedures are applied inclusively in cases in which the reimbursement of the loans is underwritten by collateral.
It shall fall to the Technical Committee, the FDU - Turismo management entity that undertakes coordination of the three sub-vehicles and centralises the monitoring and control processes for all activities, drafting the investment supervision report, which includes a description and an overview of the position regarding the investments and disinvestments carried out.

12. Management Fee

a) Please clarify if, should VAT become applicable, the amount of Management Fee would be increased accordingly.
We do confirm that VAT is not and will not be levied.

b) Please confirm that the global amount corresponding to the Management Fee already includes the fees to be paid to the depositories and companies in charge of the management of the funds to be incorporated as sub-UDFs.
Yes, Turismo de Portugal does confirm such inclusion.

13. Co-financing Leverage

c) Please clarify if Turismo de Portugal commits to provide co-financing at the project level and, if applicable, what is the amount.
Turismo de Portugal does not automatically accept any commitment to second level leveraging but does fully accept the commitment to dedicate its efforts to the mobilisation of the additional financial resources

for projects in full compliance with eligibility and merit criteria. Correspondingly, and taking into consideration that the accumulation of financial and incentive instruments with JESSICA funding is eligible and given that Turismo de Portugal manages instruments with identical objectives to JESSICA, project co-financing is a feasible opportunity.

d) In addition to the co-financing to be ensured by Turismo de Portugal, is the amount (or part of the amount) of € 420 million referred to in pages 10 and 30 already committed by the third parties. If applicable, which are the instruments guaranteeing the availability of these amounts?
The quantification of second level leveraging (€ 420 million) corresponds to an estimate derives from Turismo de Portugal experience and knowledge of this market sector. However, there are no commitments by third party entities guaranteeing the provision of these sums although there is due expectation that the funding to be granted by FDU – Turismo, totalling € 90 million, shall be attributed to projects that in overall terms attain a total level of investment of € 420 million.
This global investment estimate of € 420 million is obtained based upon the assumption that the urban project portfolio granted FDU – Turismo funding is made up of three intervention/project groups:
   1) Public promoter interventions/projects that have already gained QREN financing may draw on up to 30% of the € 90 million awarded by FDU – Turismo. The average rate of co-funding under the auspices of QREN is 60%, with a corresponding maximum 30% level of FDU – Turismo co-funding given that, under FEDER norms, the level of state and European funding attributed to any intervention/project is never to exceed 90%,
   2) Private sector interventions/projects that have already gained QREN financing through Incentives Systems may draw on up to 50% of the € 90 million awarded by FDU – Turismo. The average rate of co-funding under the auspices of the QREN Incentive Systems is 35%, with a corresponding maximum 55% level of FDU – Turismo co-funding given that, under FEDER norms, the level of state and European funding attributed to any intervention/project is never to exceed 90%.
   3) Interventions/projects that did not obtain QREN financing are eligible for drawing on 20% of the € 90 million awarded by FDU Turismo and, as projects that did not gain QREN financing, with a maximum FDU – Turismo co-funding level of 75%.

Thus, the urban project portfolio eventually subject to FDU – Turismo support will enable support for projects falling within the objectives of urban regeneration established by the relevant QREN Operational Programs and, therefore, have already had applications approved (and correspondingly in accordance with a logic of focusing and concentrating public and European funds). There is every expectation that a percentage of these projects are run by public entities (to which FDU – Turismo plans to attribute 30% of the total amount of € 90 million) with other projects run by private sector entities (to which FDU – Turismo plans to attribute 50% of the total amount of € 90 million). The decision was taken for projects without approved QREN candidates (although potentially subject to later approval), whether proposed by public or private sector entities allocated the remaining 20% of the € 90 million FDU – Turismo total.

General Question

Para o processo de decisão sobre a atribuição dos lotes às entidades que apresentaram as suas propostas necessitamos de um esclarecimento adicional da vossa parte até ao final do dia 9 de Março:
Existe um cenário onde, da avaliação das propostas recebidas, resulta a atribuição do lote Lisboa (EUR 5 m) e lote Algarve (EUR 5 m) acrescidos de pelo menos EUR 6 m de fundos JESSICA adicionais à vossa entidade. Esta avaliação, que foi efectuada lote a lote, baseou-se no pressuposto que as ofertas de co-financiamento por lote eram firmes, ou seja, 15M€ para Lisboa e 5M€ para o Algarve, independentemente de vos serem atribuídas as outras regiões ou não.
Contudo, uma análise do capítulo 13 da vossa proposta cria a dúvida sobre se o compromisso que deve ser considerado é de 50% ("As previously mentioned, the average leveraging attained by Turismo de Portugal in the funding of UDF Tourism is 50% (Turismo de Portugal stake in UDF Tourism / JHFP stake in UDF Tourism."). Esta interpretação poderia fazer com que a atribuição fosse revogada em alguns cenários pelo que precisamos de saber se a interpretação que devemos assumir é a de que o co-financiamento é de 50% em cada um dos lotes ou se mantêm os valores apresentados na tabela 1 da página 9 da vossa proposta para os lotes acima mencionado
Answer

Clarificando a questão que nos foi colocada no email infra, esclarecemos que, no pressuposto de que nos são alocados os dois lotes relativos a Lisboa e Algarve, com o montante de 5 M€ cada, acrescidos de pelo menos 6M€ de fundos Jessica adicionais, o Turismo de Portugal está disponível para co-financiar os referidos lotes no montante de:
Lisboa – 11M€, correspondendo a uma percentagem de co-financiamento de 220%
Algarve - 5 M€, correspondendo a uma percentagem de co-financiamento de 100%

FundBox

1. Investment Policy

a) Please confirm that all the projects listed in the Offer as “jessicable” projects are new projects and that heir maturity does not prevent their support through JESSICA initiative.

All the projects listed in the Offer as “jessicable” projects are new projects and their maturity does not, to the best of the applicant’s knowledge, prevent their support through the JESSICA initiative. Only one of the projects – the

Cardosas parking in Oporto – has started at the time of writing. Depending on the launch schedule of the envisaged UDF, it is possible that this project might be concluded before JESSICA funds may be channeled to it.

2. Financial Forecasts And Operational Budget Of The UDF

a) Please provide information regarding the remuneration of JESSICA funds not invested.

At market conditions at the appplicable time. Please refer to the estimates shown in page 19 and to the Excel files enclosed with the offer.

5. Metodology For The Identification And Evaluation Of Future Urban Projects

a) Please clarify the methodology you propose to cooperate with Managing Authorities.

Funds like the envisaged UDFs are set up to be managed according to the investors best interest. FundBox is available to discuss any methodology that suits the MAs to structure appropriate cooperative behavior with the MAs. Welcome possibilities are the set up of a Supervisory Board to monitor FundBox activity in the identification and evaluation of future projects, or the appointment of a new, and recommended by the MAs, FundBox director to sit on the UDFs investment committees.

9. Governance Structure

a) Please detail rules and proceedings on control and reports to be observed by FUNDBOX as to the management and administration of the investments to be made with the equity to be provided by the UDFs.

FundBox proposes to adhere to the rules of portuguese regulated funds, including namely daily computation of NAV, monthly close of books, external audit by an auditor registered with CMVM and independent appraisals by two appraisers registered with CMVM. FundBox is happy to discuss additional reporting requirements to suit the needs of JHFP.

12. Management Fee

a) Please clarify if the flat fee of € 60M p.a. for "EU Structural Funds monitoring" applies independently of the number of Lots assigned and respective amounts.

The quoted flat fee will apply should FundBox be retained to manage any amount between the minimum target amount of €50 million and €80 million. Should the applicant be retained to manage less than €50m, the fee will apply, independently of the number of Lots assigned and respective amounts.

b) Please clarify if, should VAT become applicable, the amount of Management Fee would be increased accordingly.

Should VAT become applicable, the amount of Management Fee would be increased accordingly. This would not, however, translate into higher costs for the envisaged UDFs, since the VAT charged by FundBox would be deductible at the UDF level.

c) Please confirm that the global amount corresponding to the Management Fee already includes the fees to be paid to DB as depository in relation to the funds to be incorporated.

We do not confirm that the global amount corresponding to the Management Fee already includes the fees to be paid to DB as depository in relation to the funds to be incorporated. Such fees will be borne by the funds to be incorporated, and, subject to confirmation by DB, are estimated by FundBox at 0,1% of the funds NAV. Please refer to the Excel files enclosed with the offer.

13. Co-financing Leverage

a) Is the amount (or part of the amount) of € 23 million referred to in page 80 of the Offer already committed by the third parties and available to JESSIVA Initiative? If applicable, which are the instruments guaranteeing the availability of these amounts?

Said amount is not committed at the time of writing. FundBox is in the process of soliciting said commitments from target investors. The envisaged instruments to guarantee the availability of said amounts are acquisitions of units in the "Coimbra Viva I" Fund and in the "4 Fund".

b) Besides that, considering that, as stated in Section I.C.b of Annex 3 of the Call for Expressions of Interest, "the applicants can not apply to JESSICA funds with the perspective of refinancing their already existing portfolio", please clarify how you propose to use the resources of Funds "Coimbra Viva I" and "4Fund" to co-finance the UDFs' projects.

In both cases, the UDF's projects are the parking segments of wider projects. The UDF will acquire 100% of the plots where the parkings will be built, whilst the Coimbra Viva I Fund and 4 Fund will acquire the remaining plots of the wider projects (regeneration of Coimbra UI1 and Cardosas block, respectively).

Montepio

<table>
<tr><th>Question received from EIB</th><th>Answer MONTEPIO</th></tr>
<tr><td>1. Investment Policy

a) Please clarify what is the interest rate applicable to remunerate funds not invested (the Business Plan mentions that “Funds received from the JHFP that are not invested or reinvested (returns and repayments from previous investments) will be deposited and will pay interest at CEMG prime rate”).</td><td>For CEMG Prime Rate we mean the best available interest rate for term deposits offered by CEMG. This rate varies daily according to market conditions and CEMG treasury liquidity.

In addition, Montepio guarantees to remunerate LOCUS term deposits at a minimum rate of EURIBOR + 5 basis points. This rate will be the lower limit of CEMG Prime Rate.

Taken into account EURIBOR fixings at Feb 21th, the minimum rates for LOCUS term deposits would be:

<table>
<tr><th>Term (t)</th><th>Term Deposit Interest Rate</th><th>Reference</th></tr>
<tr><td>t = 1 week</td><td>0,757 %</td><td>CEMG Treasury</td></tr>
<tr><td>t = 2 weeks</td><td>0,821 %</td><td>CEMG Treasury</td></tr>
<tr><td>t = 3 weeks</td><td>0,872 %</td><td>CEMG Treasury</td></tr>
<tr><td>t = 1 month</td><td>0,914 %</td><td>CEMG Treasury</td></tr>
<tr><td>t = 2 months</td><td>0,955 %</td><td>CEMG Treasury</td></tr>
<tr><td>t = 3 months</td><td>1,082 %</td><td>CEMG Treasury</td></tr>
<tr><td>t = 4 months</td><td>1,161 %</td><td>CEMG Treasury</td></tr>
<tr><td>t = 5 months</td><td>1,250 %</td><td>CEMG Treasury</td></tr>
<tr><td>t = 6 months</td><td>1,353 %</td><td>CEMG Treasury</td></tr>
</table></td></tr>
<tr><td>2. Financial Forecasts And Operational Budget Of The UDF

a) Please provide information regarding the remuneration of JESSICA funds not invested.</td><td>a) Funds not invested or re-invested will be transferred to deposit accounts paying interests at CEMG prime rate.
When modeling LOCUS financial forecasts, EURIBOR 6 months forward rates (available on Bloomberg function FWCV) were used as conservative estimates for CEMG prime rates.
The rates were then applied to the average balance in the deposits account for the relevant year, as shown on “Interests on Deposits transferred to JHFP”.
The interests are to be kept in a separate account and returned to the JHFP in a biannual basis (“interests transferred to JHFP”).</td></tr>
<tr><td>7. Legal And Ownership Structure of the UDF

a) Please clarify in which circumstances Montepio considers to incorporate investment funds (page 17) and, if it would be the case please detail the main features of the funds to be incorporated and the role to be assumed by such funds;

b) Please confirm that the global amount corresponding to the Management Fee already includes the fees to be paid to the depositories and companies in charge of the management of these possible funds to be incorporated.</td><td>b) For the reasons explained in the Business Plan, Montepio has opted to organize LOCUS as a separate block of finance rather than a “Fundo Especial de Investimento”.
This decision allows for greater flexibility as, in principle, no restrictions exist with regards to the type of vehicles used to channel JHFP funds to projects, as long as projects receive either debt or equity.
Therefore, consideration was made – looking ahead, within the 20 years timeframe proposed for LOCUS, and depending on the evolution of the legal framework applied to funds - to the possibility of using other vehicles that might be better adjusted to the specific characteristics of some urban projects investments as, for instance, it may be the case of investing in a venture capital fund to concentrate LOCUS equity investments, benefiting from a more favorable tax treatment.
Any funds incorporated for this purpose would be an instrument for the execution of LOCUS investment policy and could be subjected to prior agreement by the EIB.
At this stage, however, having into account current constrains regarding investment funds portfolio diversification, concentration limits and caps on the size of individual positions, as well as considering the typologies of projects presented on LOCUS Business Plan, Montepio does not envisage using this kind of</td></tr>
</table>

	structures. c) In the future, should one or more funds prove to be viable and beneficial for LOCUS, its incorporation shall not aggravate the total Management Fee. Montepio confirms that the global amount corresponding to the Management Fee includes the fees to be paid to the depositories and companies in charge of the management of the investment funds that may be incorporated.
12. Management Fee a) Please clarify if, should VAT become applicable, the amount of Management Fee would be increased accordingly.	The proposed Management Fee structure was quoted free of taxes and duties taking into account the current regulatory framework which establishes, as a general rule, the tax exemption for UE related entities. Should this framework be changed, CEMG will be available to discuss with EIB a cost sharing solution between CEMG and EIB, considering namely the applicable VAT rate and the amount of assets under management. For a low VAT rate CEMG may be available to fully support this additional cost.

Refundos

2. Financial Forecasts and Operational Budget Of The UDF

a) Please provide information regarding the remuneration of JESSICA funds not invested.

Clarification: *The submitted business plan, presupposes the total investment of the resources provided by JESSICA.*
If for some reason this does not happen, the situation will be analyzed ad-hoc, and the funds will be held as term deposits bearing interest at current market rates, and accrued interest delivered to JESSICA.

7. Legal and Ownership structure

a) Taking into account the legal and regulatory regimen applicable to real estate funds and their management companies, could you please clarify how the Offer proposes to grant loans to Urban Projects' developers?

Clarification: *The granting of loans derives from market conditions to date. There will be made a comparative analysis between options. Legally, the funds can finance themselves through loans and the limit, if any, defined in the management regulations to be approved. The financing will be provided by the fund, and any subsequent operation will be governed by its management regulations.*

12. Management Fee

a) Please clarify if, should VAT become applicable, the amount of Management Fee would be increased accordingly.

Clarification: *Management fees are VAT free. VAT component is not applicable.*

b) Please confirm that the global amount corresponding to the Management Fee already includes the fees to be paid to depository banks to be nominated in relation to the funds to be incorporated.

Clarification: There's an omission in the original business plan regarding do depository bank fess. However, the management fee indicated in the business plan does not include depository bank fess.
Usually the range of this type of fee is approximately between [0.8% - 1%]

Imorendimento

2. Financial Forecasts And Operational Budget Of The UDF

a) Please provide information regarding the remuneration of JESSICA funds not invested.

Answer: Imorendimento have a project pipeline for investing all funds provided by JESSICA, and will continue to bring forward new projects throughout the duration of the funding period, with the aim of maximizing the utilisation of the funds.

When and if JESSICA funds are not yet invested in Urban Projects - and therefore are in the UDF accounts - these funds will be invested in bank deposits (zero-risk basis) at the prevailing market conditions.
Please note that the actual market of bank deposits tends to remunerate very low or nothing very short periods of deposits but for longer periods the remuneration can be relevant.

When the Urban Projects repay the UDF's invested funds, bank deposits will be made until the next date to reimburse JHFP.

The interests generated in both cases will be considered JHFP profits.

12. Management Fee

a) Please clarify if, should VAT become applicable, the amount of Management Fee would be increased accordingly.

Answer: Yes.
However, assuming that the JESSICA entity to be invoiced by the UDF is not a tax resident in Portugal (e.g. the EIB), VAT is not chargeable accordingly to European Union regulation and VAT Portuguese Code.

b) Please confirm that the global amount corresponding to the Management Fee already includes the fees to be paid to depository banks to be nominated in relation to the fund to be incorporated.

Answer: The UDF proposed by Imorendimento is not in the form of an Investment Fund. Accordingly, there is no requirement for a depository bank to be involved; so depository fees are not applicable.