PROPOSAL FOR

REDEVELOPMENT OF LIBERTY SQUARE & LINCOLN GARDENS

SUBMITTED TO
MIAMI-DADE COUNTY AS REPRESENTED BY PUBLIC HOUSING AND COMMUNITY DEVELOPMENT

RFA #
2015-01

SUBMITTED BY
Miami Redevelopment Partners with WRT

09 JULY 2015

Woodrow Wilson | Long Branch, NJ

1 FORMS / AFFIDAVITS & ACKNOWLEDGEMENT

Form A-2
AFFIDAVIT OF MIAMI-DADE COUNTY
LOBBYIST REGISTRATION FOR ORAL PRESENTATION

(1) ProjectTitle: Liberty Square Rising Project No.: RFA 2015-01
(2) Department: PHCD
(3) Proposer's Name: Miami Redevelopment Partners, LLC
Address: 205 E Central Blvd, Ste 304, Orlando, Florida Zip: 32801
Business Telephone: (407) 341-4550

(4) **List All Members of the Presentation Team Who Will Be Participating in the Oral Presentation:**

NAME	TITLE	EMPLOYED BY	TEL. NO.
Brian Heeger	Director	Duvernay + Brooks	646-230-0551
Joni Brooks	Principal	Duvernay + Brooks	646-230-0551
Michael Gardner	Principal	Gardner Capital	407-341-4550
Mark Gardner	Principal	Gardner Capital	407-341-4550
Joe Chambers	Director	Gardner Capital	407-341-4550
Mark Dambly	President	Pennrose	267-386-8600

(ATTACH ADDITIONAL SHEET IF NECESSARY)

The individuals named above are Registered and the Registration Fee is not required for the Oral Presentation ONLY.

Any person who appears as a representative for an individual or firm for an oral presentation before a County certification, evaluation, selection, technical review or similar committee must be listed on an affidavit provided by the County. The affidavit shall be filed with the Clerk of the Board at the time the response is submitted. The individual or firm must submit a revised affidavit for additional team members added after submittal of the proposal with the Clerk of the Board prior to the oral presentation. Any person not listed on the affidavit or revised affidavit may not participate in the oral presentation, unless he or she is registered with the Clerk's office and has paid all applicable fees.

Other than for the oral presentation, Proposers who wish to address the county commission, county board or county committee concerning any actions, decisions or recommendations of County personnel regarding this RFA in accordance with Section 2-11.1(s) of the Code of Miami-Dade County MUST register with the Clerk of the Board and pay all applicable fees.

I do solemnly swear that all the foregoing facts are true and correct and I have read or am familiar with the provisions of Section 2-11.1(s) of the Code of Miami-Dade County as amended.

Signature of Authorized Representative: Title: Manager
STATE OF NEW YORK
COUNTY OF NEW YORK

The foregoing instrument was acknowledged before me this (date) JULY 8, 2015 by JOSEPH CHAMBERS, an OFFICER, who is CORP. personally known (Individual, Officer, Partner or Agent) (Sole Proprietor, Corporation or Partnership) to me or who has produced FLORIDA DRIVER'S LICENSE as identification and who did/did not take an oath.

Geraldine C. Maudsley — Notary Public — _____
(Signature of person taking acknowledgement) (Title or Rank) (Serial Number, if any)

GERALDINE C. MAUDSLEY
(Name of Acknowledger typed, printed or stamped)

GERALDINE C. MAUDSLEY
Notary Public, State of New York
No. 01MA6197428
Qualified in Nassau County
Commission Expires December 1, 2016

Form A-2
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LOBBYIST REGISTRATION FOR ORAL PRESENTATION

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(2) Department: PHCD
(3) Proposer's Name: Miami Redevelopment Partners, LLC
Address: 205 E Central Blvd, Ste 304, Orlando, Florida Zip: 32801
Business Telephone: (407) 341-4550

(4) List All Members of the Presentation Team Who Will Be Participating in the Oral Presentation:

NAME	TITLE	EMPLOYED BY	TEL. NO.
Richard Barnhart	CEO	Pennrose	267-386-8600
Nando Micale	Principal	WRT	305-322-7239
Silvia Vargas	Associate	WRT	305-322-7239

(ATTACH ADDITIONAL SHEET IF NECESSARY)

The individuals named above are Registered and the Registration Fee is not required for the Oral Presentation ONLY.

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Signature of Authorized Representative: _____ Title: _____
STATE OF _____
COUNTY OF _____

The foregoing instrument was acknowledged before me this
(date)_____ by_____,
a _____, who is personally known (Individual, Officer, Partner or Agent) (Sole Proprietor, Corporation or Partnership) to me or who has produced _____ as identification and who did/did not take an oath.

_____ _____ _____
(Signature of person taking acknowledgement) (Title or Rank) (Serial Number, if any)

_____
(Name of Acknowledger typed, printed or stamped)

Form A-3

ACKNOWLEDGEMENT OF ADDENDA

Instructions: Complete Part I or Part II, whichever is applicable.

PART I: Listed below are the dates of issue for each Addendum received in connection with this RFA.

Addendum #1, Dated 6-9-2015, 2015

Addendum #2, Dated 6-12-2015, 2015

Addendum #3, Dated 6-15-2015, 2015

Addendum #4, Dated 6-18-2015, 2015

Addendum #5, Dated 6-19-2015, 2015

Addendum #6, Dated 6-23-2015, 2015

Addendum #7, Dated _____, 201___

Addendum #8, Dated _____, 201___

Addendum #9, Dated _____, 201___

PART II:

____ No Addendum was received in connection with this RFA.

Authorized Signature: _____ Date: 7/8/2015

Print Name: Joseph Chambers Title: Manager

Firm Name: Miami Redevelopment Partners, LLC

Form A-4
SUBMITTAL IDENTIFICATION FORM
(Submit one form for each development site of interest)

1. DEVELOPER (PROPOSER)	
Entity Name: Miami Redevelopment Partners, LLC	Form of Organization: Limited Liability Company
Contact Name: Joe Chambers	Taxpayer ID or SS Number: 47-3454529
Address: 205 E. Central Blvd, Ste 304, Orlando, FL 32801	
Phone: 407-341-4550	Fax: 404-343-2237
JV Entity Name:	Form of Organization:
Contact Name:	Taxpayer ID or SS Number:
Address:	
Phone:	Fax:
Entity Name:	Form of Organization:

2. PRINCIPALS	
Name: Gardner Capital Development Florida, LLC	Title: Member
Address: 205 E. Central Blvd, Ste 304, Orlando, FL 32801	
Phone: 407-341-4550	Fax:
Name: Pennrose Development, LLC	Title: Member
Address: 1301 North 31st Street, Philadelphia, PA 19121	
Phone: 267-386-8600	Fax:
Name: Duvernay + Brooks, LLC	Title: Member
Address: 2095 Broadway #404, New York, NY 10023	
Phone: 646-230-0551	Fax:

3. OTHER DEVELOPMENT TEAM MEMBERS	
Company Name: WRT	Role in Project: Master Planner/ Architect
Contact Name: Nando Micale	Title:
Address: 6619 South Dixie Hwy, Miami, FL 33134	
Phone: 305-322-7239	Fax:

Company Name: Catalyst Miami/HSC	Role in Project: Community Outreach
Contact Name: Carolyn Nelson-Goedert	Title: Vice President
Address: 1900 Biscayne Blvd, Ste 200, Miami, FL 33132	
Phone: 305-576-5001	Fax:
Company Name: HGF, Inc.	Role in Project: Section 3 / Relocation Consultant
Contact Name: Gladys Sawyer	Title: President
Address: 1100 Seay Drive, Memphis, TN 38103	
Phone: 901-594-5550	Fax:

Form A-4
SUBMITTAL IDENTIFICATION FORM

4. BANK REFERENCES	
Bank Name: Citi	
Contact Name: Tricia Yarger	Title: Director
Address: 245 5th Ave #17, New York, NY 10016	
Phone: 212-723-5471	Fax:
Construction Lender Name: JP Morgan Chase	
Contact Name: Tammy Haylock-Moore	Title: Vice President
Address: 450 S. Orange Ave, 10th Floor, Orlando, FL 32801	
Phone: 407-236-7082	Fax: 407-236-5446

Permanent Lender Name: Redstone	
Contact Name: Jim Spound	Title: President
Address: 2 Grand Central Tower, 140 E. 45th Street, 15th Floor, New York, NY 10017	
Phone: 212-277-6437	Fax:

5. PUBLIC HOUSING AUTHORITY REFERENCE	
Project Name: Janie's Garden	Project Type: Mixed Income Res+ Retail
Project Address: 2350 Central Avenue, Sarasota, FL 34234	Number of Dwelling Units: 226+
Nature of Developer's Involvement: Developer (Staff)	
Public Housing Authority Name: Sarasota Housing Authority	
Contact Name: William Russell	Title: Executive Director/CEO
Address: 269 S. Osprey Ave, Suite 100, Sarasota, FL 34236	
Phone: 941-915-1617	Fax: 341-366-4661

6. PUBLIC HOUSING AUTHORITY REFERENCE	
Project Name: Clearborn Homes	Project Type: Public Housing Revitalization
Project Address: 360 S. Lauderdale St, Memphis, TN 38126	Number of Dwelling Units: 362+
Nature of Developer's Involvement: Developer	
Public Housing Authority Name: Memphia Housing Authority	
Contact Name: Quincy Jones	Title: Hope VI Coordinator
Address: 700 Adams Ave, Memphis, TN 38105	
Phone: 901-544-1141	Fax:

7. PUBLIC HOUSING AUTHORITY REFERENCE	
Project Name: Atlanta Housing Authority	Project Type: PHA Redevelopment
Project Address: 230 John Wesley Dobbs Ave, NE, 4th Floor, Atlanta, GA	Number of Dwelling Units: 1000+
Nature of Developer's Involvement: Financial Advisor for AHA on more than 30 mixed finance transactions	
Public Housing Authority Name: Atlanta Housing Authority	
Contact Name: Mike Wilson	Title: Development Director
Address: 230 John Wesley Dobbs Ave., NE, 4th Floor, Atlanta, GA 30303	
Phone: 404-685-4374	Fax:

8.0 EXHIBITS

Exhibit A	HUD-5369-B Instructions to Offerors, Non-Construction & HUD-5369-C Certifications and Representations of Offerors, Non-Construction Contract
Exhibit B	Appendix, PHCD Section 3 of the HUD Act of 1968, Document 00400-Section 3 Economic Opportunity and Affirmative Marketing Plan, Document 0200B-Section 3 Business Preference Claim Form, Section 3 Program, Possible Strategies to Meet Section 3 Compliance Goals
Exhibit C	HUD-5370 General Conditions for Construction Contracts - Public Housing Programs
Exhibit D	HUD-5370-C General Conditions for Non-Construction Contracts, Section I
Exhibit E	Insurance Requirements, Non-Construction

EXHIBIT A

HUD-5369-B INSTRUCTIONS TO OFFERORS, NON-CONSTRUCTION

HUD-5369-C CERTIFICATIONS AND REDPRESENTATIONS OF OFFERORS, NON-CONSTRUCTION CONTRACT

FORM HUD-5369-C CERTIFICATIONS AND REPRESENTATIONS OF OFFERORS, NON-CONSTRUCTION

CERTIFICATION OF ELIGIBILITY

This is to certify that Miami Redevelopment Partners, LLC
(Firm's Name)

involved with this work, is not debarred, suspended, or otherwise prohibited from contracting by any Federal, State, or Local Agency.

(Signature)

Joseph Chambers
(Type or Print Name)

Manager
(Title)

7/8/2015
(Date)

EXHIBIT B

APPENDIX, PUBLIC HOUSING AND COMMUNITY DEVELOPMENT (PHCD) SECTION 3 OF THE HUD ACT OF 1968

DOCUMENT 00400 – SECTION 3 ECONOMIC OPPORTUNITY AND AFFIRMATIVE MARKETING PLAN

DOCUMENT REQUIRED WITH BID DOCUMENT 00200-B SECTION 3 BUSINESS PREFERENCE CLAIM FORM

SECTION 3 PROGRAM

- What is Section 3
- Purpose of Section 3
- Section 3 Resident
- Section 3 Employment Opportunities
- Preference for Training and Employment
- Section 3 Business Concerns
- Section 3 Forms (Resident Preference and Income Certifications)

POSSIBLE STRATEGIES TO MEET SECTION 3 COMPLIANCE GOALS

APPENDIX
PUBLIC HOUSING AND COMMUNITY DEVELOPMENT (PHCD)
SECTION 3 OF THE HUD ACT OF 1968

CONE OF SILENCE EXEMPTION. PHCD staff and bidders may communicate orally while a bid is in progress and prior to award of bid to clarify Section 3 definitions, requirements and business preference procedures, pursuant to the Miami-Dade Commission on Ethics opinion on March 10, 2004.

I. GENERAL REQUIREMENTS FOR PHCD ONLY

This contract is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968 and the implementing regulations in 24 CFR Part 135, as amended by interim rule published on June 30, 1994 (59 FR 33866). Bidders interested in receiving copy of this regulation may email their request to PHCD's Resident Services Unit at section3@miamidade.gov. Section 3 requires that, to the greatest extent feasible and consistent with Federal, State and local laws and regulations, job training, employment, and contracting opportunities be directed to low and very-low income persons. Contractors must familiarize themselves with Section 3 regulations and requirements.

This contract is also subject to federal affirmative marketing plan requirements, which require the contractor to take all necessary affirmative marketing steps to ensure small, minority and women-owned business enterprises are used only, if subcontracting is applicable to this contract.

II. SECTION 3 DEFINITIONS

The term "Section 3 business" is defined as follows:
Firms owned by Miami-Dade County (M-DC) residents who meet M-DC's low income household limits (see "Miami-Dade Income Limits") or whose firms include 30% of these persons as full-time employees.

The term "new hires" is defined as follows:
New hires means full-time employees for permanent, temporary or seasonal employment opportunities and include, but are not necessarily limited to, all management, maintenance, clerical and administrative jobs arising in connection with the development(s) stipulated in the contract award.

The term "Section 3 Resident" is defined as follows:
A **Section 3 Resident** is an individual who lives in Miami-Dade County and (a) is a resident of public housing; **or** (b) is a resident of another federally assisted housing program (Section 8, Section 202, etc.); **or** is a current recipient or participant in a public assistance program (TANF, JTPA, etc.); **or** (c) whose family household income meets the definition of a low-or very-low income family (see no. 5, below).

The definition of a small, minority or woman business is as follows:
A business at least 51 percent owned or controlled by a small business owner, **or** one or more minority group members, **or** women and whose management and daily operations are controlled by one or more such individuals. For the purpose of this definition, minority group members are: Black Americans, Hispanic Americans,

Native Americans, Asian Pacific Americans, Asian Indian Americans and Hasidic Jews.

The current Miami-Dade Income Limits are as follows:

INCOME LIMITS (effective 7/1/2014)

	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
Very Low Income (50%)	$23,800	$27,200	$30,600	$34,000	$36,750	$39,450	$42,200	$44,900
Low-Income (80%)	$38,100	$43,550	$49,000	$54,400	$58,800	$63,150	$67,500	$71,850

III. SECTION 3 BID PREFERENCE TERMS AND REQUIREMENTS

Preference in the award of PHCD requests for quotes under this contract will be provided as follows:

1. Bids are being solicited from all businesses. If no responsive bid by a PHCD pre-certified Section 3 business meets the "X" factor, as defined below, the contract may be awarded to the lowest responsive, responsible bidder.
2. Where applicable, an award will be made to the LOWEST responsive, responsible pre-certified Section 3 business, with the highest priority ranking, as stipulated under Section III, "Section 3 Business Priority Rankings", if that bid: is within the maximum total contract price established in PHCD's budget, and is not more than "X" higher than the total bid price of the lowest responsive bid from any responsible bidder. "X" is determined as follows:

Bid Amount	X = Lesser of:
When the lowest responsive bid is less than $100,000	**10%** of that bid, up to **$9,000**
When the lowest responsive bid is between:	
$100,000, but less than $200,000	**9%** of that bid, up to **$16,000**
$200,000, but less than $300,000	**8%** of that bid, up to **$21,000**
$300,000, but less than $400,000	**7%** of that bid, up to **$24,000**
$400,000, but less than $500,000	**6%** of that bid, up to **$25,000**
$500,000, but less than $1 million	**5%** of that bid, up to **$40,000**
$1 million, but less than $2 million	**4%** of that bid, up to **$60,000**
$2 million, but less than $4 million	**3%** of that bid, up to **$80,000**
$4 million, but less than $7 million	**2%** of that bid, up to **$105,000**
$7 million or more	**1 %**of lowest/responsive bid, with no dollar limit

3. For information on how to become a PHCD-certified Section 3 business, *email*, PHCD Resident Services Unit, at section3@miamidade.gov or contact Jesus Hernandez at (786) 469-2131, e-mail at jesher@miamidade.gov
4. **In order for bidder to qualify for a Section 3 contracting preference**, bidder must be pre-certified by PHCD as a Section 3 business, at least two weeks prior to the bid opening date, and submit ***Document 00200-B, "Section 3 Business Preference Claim"*** with bid quote.

5. Section 3 businesses are required to comply with procedures listed under Section IV, "Section 3 Required Documents to Be Submitted with Each PHCD Bid (When Subcontracting is not applicable)", page 3, and Section VI "Section 3 Required Contractor and Subcontractor Post-Award Procedures (PHCD Projects Only)".

6. **SECTION 3 BUSINESS PRIORITY RANKINGS:** (The highest priority ranking (PR) is #1.)

   PR#1: 51% or more owned by PHCD public housing residents, **or** whose full-time, permanent work force includes 30 percent of these persons as employees (**Category 1 Businesses**);

   PR#2: Business owners who are or were participants (within last three years) in HUD Youth build programs currently operating in Miami-Dade County. For more information, contact YWCA of Greater Miami, Inc., at 305- 377-9922, or Fax 305-373-9922 (**Category 2 Businesses**);

   PR#3: 51% or more owned by residents of a federally assisted housing program, such as Section 8, Section 202, HOME, etc., **or** whose full-time, permanent work force includes no less than 30 percent of those persons as employees (**Category 3 Businesses**);

   PR#4: a) 51 percent or more owned by low or very low-income persons who reside in Miami-Dade County; **or** whose permanent, full-time work force includes no less than 30 percent of low-income Miami-Dade County persons as employees, including persons that are not currently low or very low-income persons but were low or very- low-income persons, as long as the date of first employment with the business concern has not exceeded a period of three years (see Section II. no. 4", for current Miami-Dade low and very-low income limits); **or**

   b) Provide evidence of a commitment to subcontract in excess of 25 percent of the total amount of subcontracts to be awarded to business concerns identified under Priority # 1 (category 1 businesses only (PR#4 a and b above are **Category 4 Businesses**).

IV. SECTION 3 REQUIRED DOCUMENTS TO BE SUBMITTED WITH EACH PHCD BID (WHEN SUBCONTRACTING IS NOT APPLICABLE)

This contract is a Section 3 covered activity (PHCD only). Section 3 requires that job training, employment and contracting opportunities be directed toward low and very-low income persons and to businesses that provide economic opportunities to those persons.

All bidders are required to execute and submit Document 00400, "Section 3 Economic Opportunity and Affirmative Marketing Plan (Plan)", with the bid. An executed Plan document is the bidder's certification that he or she will take all necessary affirmative marketing steps required, in connection with PHCD project award, to (a) meet Section 3 training and employment goals, where feasible, when filling vacant or new positions resulting from PHCD awards, and also seek to recruit qualified minorities and women to fill vacant or new positions resulting from PHCD awards; and (b) meet Section 3 subcontract goals and ensure small minority and women subcontractors are used (where applicable is permitted).

V. SECTION 3 OPTIONAL DOCUMENT (TO BE SUBMITTED WITH BID)

Bidders who wish to claim a Section 3 bid preference, are required to submit *Document 00200-B, "Section 3 Business Preference Claim"*, with the bid. Only bidders who have been pre-certified by PHCD at least 2 weeks prior to the bid opening and submit Document 010200-B "Section 3 Business Preference Claim as a Section 3 business shall be eligible to claim a Section 3 business preference.

VI. SECTION 3 POST-AWARD PROCEDURES (PHCD PROJECTS ONLY)

1. The contractor must submit required PHCD post-award forms (presented at a PHCD post-award meeting), during the performance of the contract in the frequency and format requested by PHCD.
2. Contractor will be required to submit documentation to PHCD of efforts and results made to train and employ Section 3 residents (resulting from PHCD awards only) in accordance with his or her Plan during the performance of the contract in the format and frequency required by PHCD.
3. Contractor, including any Section 3, small, minority or women-owned business concern awarded work through this PHCD project, must commit to train and employ qualified Section 3 residents (only where vacant or new positions exist in connection with this award) to the greatest extent feasible, not less than **30% of the total number of new hires, but no less than one, whichever is greater,** within their labor force during the term of the contract, in the priority order indicated under Section VII, "Section 3 Resident Priority Order for Training and Employment Opportunities", no.8, below.
4. Contractor is also required to undertake efforts to hire public housing, Section 8 and other Section 3 residents (only where vacant or new positions exist in connection with this award), in part-time positions, for permanent, temporary, or seasonal employment.
5. In addition to nos. 1 and 2 above, contractors must solicit to all minorities and women when filling vacant or new full-time or part-time positions generated through PHCD projects.
6. Contractor must explain to all job applicants how to claim a Section 3 preference (using PHCD forms provided at each pre-construction meeting) and show them the Miami-Dade income chart, included under Section II, page 1.
7. When there is a need for new hires, contractor must include Section 3 preference language in job news ads, flyers, and community notice. Notices must be placed at the site where work is to take place and in the surrounding community.
8. When there is a need for new hires resulting from PHCD awards, contractor must carry out recruitment in accordance with the training and employment recruitment requirements listed in Contractor's Plan (see Document 00400.)

VII. SECTION 3 RESIDENT PRIORITY ORDER FOR TRAINING AND EMPLOYMENT OPPORTUNITIES

1. PHCD public housing residents (Category 1 residents);
2. Participants in HUD Youth build programs currently operating in Miami-Dade County. For more information, contact YWCA of Greater Miami, Inc. at 305-377-9922, or Fax 305-373-9922 (Category 2 residents);

3. Recipients of federal government housing assistance programs, such as Section 8, Section 202, HOME, etc., or who are participants in a federally funded job training program, such as J.T.P.A., etc. (Category 3 residents); or
4. Other individuals who reside in Miami-Dade County, and meet the definition of a low, or very low-income person, as defined, in the current Miami-Dade Income limits (Category 4 residents).

VIII. WELFARE-TO-WORK TAX INCENTIVE AND WORK OPPORTUNITY TAX CREDIT PROGRAM

For information and application assistance, contact Career Service South Florida, www.careersourcesfl.com or the State of Florida at www.floridajobs.org

IX. SECTION 3 CLAUSE

The *Section 3 Clause* found at Section 3 regulation, 24 CFR Part 135, p.135.38, must be included in all Section 3 covered contracts. The awarded contractor and subcontractors (where applicable) will be bound by its provisions and the *Clause* and must be included in all subcontractor agreements.

SECTION 3 CLAUSE

a. The work to be performed under this contract is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 USC § 1701u (Section 3). The purpose of Section 3 is to ensure that the employment and other economic opportunities generated by HUD assistance of HUD-assisted projects covered by Section 3, shall, to the greatest extent feasible, be directed to low and very low income persons, particularly persons who are recipients of HUD assistance for housing.
b. The parties to this contract agree to comply with HUD's regulations in 24 CFR Part 135, which implement Section 3. As evidenced by their execution of this contract, the parties to this contract certify that they are under no contractual or other impediment that would prevent them from complying with the Part 135 regulations.
c. The contractor agrees to send to each labor organization or representative of workers with which the contractor has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or worker's representative of the contractor's commitments under this section 3 clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the Section 3 preference, shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each; and the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.
d. The contractor agrees to include this Section 3 clause in every subcontract subject to be in compliance with regulations in 24 CFR Part 135, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this Section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 CFR Part 135. The contractor will not subcontract with any subcontractor where the contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR Part 135.

e. The contractor will certify that any vacant employment positions, including training positions, that are filled (1) after the contractor is selected but before the contract is executed; and (2) with persons other than those to whom the regulations of 24 CFR Part 135 require employment opportunities to be directed, were not filled to circumvent the contractor's obligations under 24 CFR part 135.
f. Noncompliance with HUD's regulations in 24 CFR Part 135 may result in sanctions, termination of this contract for default, and debarment or suspension from future HUD assisted contracts.
g. With respect to work performed in connection with Section 3 covered Indian housing assistance, Section 7(b) of the Indian Self-Determination and Education Assistance Act (25 USC § 450e) also applies to the work to be performed under this contract. Section 7(b) requires that to the greatest extent feasible (i) preference and opportunities for training and employment shall be given to Indians, and (ii) preference in the award of contracts and subcontracts shall be given to Indian organizations and Indian-owned Economic Enterprises Parties to this contract that are subject to the provisions of Section 3 and Section 7(b) agree to comply with Section 3 to the maximum extent feasible, but not in derogation of compliance with Section 7(b).

DOCUMENT 00400

SECTION 3 ECONOMIC OPPORTUNITY AND AFFIRMATIVE MARKETING PLAN

(To be completed my proposers who have not previously submitted this document under MCC 7360 Plan)

Firm Name Miami Redevelopment Partners, LLC **Contact Name** Joseph Chambers

The individual above, (consultant), is responsible for planning, implementing and tracking firm's Section 3 (S-3) and affirmative marketing training, employment and contracting goals applicable to Public Housing and Community Development (PHCD) projects and must comply with HUD's S-3 regulation at 24 CFR Part 135 *(email PHCD section3@miamidade.gov or jesher@miamidade.gov to obtain a copy)*.

Recruitment Procedures Required to Fill Vacant or New Consultant/Subconsultant Positions Resulting from PHCD Awards (Applicable to Single Trade and Multi-Trade Projects)

1. Email section3@miamidade.gov or jesher@miamidade.gov, PHCD Section 3 Coordinator, for employment referrals from public housing, Section 8 and other housing program recipients, and low-income persons, minorities and women.
2. Advertise at job site and surrounding neighborhood for targeted workers (see #1 above) and use *Document 00404*, ***"Section 3 Language for News Ads, Flyers and Job Notices"*** in all job notices & flyers.
3. Schedule a time and place convenient for public housing, other S-3 residents (listed under no. 1 above), minorities and women to complete job applications.
4. Contact YWCA of Greater Miami, Inc. at 305-377-9922, or fax 305-373-9922, for HUD Youth build employment referrals.
5. Send notices about S-3 training and employment obligations and opportunities required for PHCD projects to labor organizations, where applicable (review ***Section 3 Clause***).
6. Present *Document 00401*, ***"Section 3 Resident Preference Claim Form"*** to all job applicants, explaining S-3 residents will receive preference in the recruitment process, if they meet minimum job eligibility criteria.
7. Ensure applicants that claim a S-3 preference provide proof as described in Document 00401, or complete *Document 00402*, ***"Section 3 Resident or Employee Household Income Certification Form"*** (Public housing residents must receive the highest preference points during the interview/selection process.)
8. Consultant and sub consultants are required to: (a) establish files to document all recruitment efforts and results when filling vacancies or new positions in connection with PHCD projects; (b) use *Document 00403*, ***"Training & Employment Outreach Documentation"*** form to document agency referral responses, and (c) produce evidence of recruitment efforts to PHCD as requested.
9. Consultant is responsible for collection of sub consultant(s) training and employment documentation outreach efforts (described under no. 8), new hire reports (required) and weekly employment forms (only when sub consultant(s) hire workers for vacant or new positions in connection with PHCD awards).

Forms described above, under nos. 2 and 6-8, are post-award forms, applicable to successful PHCD bidder only, and will be distributed at each pre-construction meeting *(fax PHCD 786-469-4151 to obtain copies)*.

Consultant's Recruitment of Section 3, Small, Minority and Women-Owned Businesses (Solicitation Requirements Applicable to Multi-Trade Projects Only).

Consultant will follow Plan's affirmative marketing steps for each PHCD award, when he or she subcontracts work, to award a minimum goal of 10% of the overall award amount to S-3 businesses, where feasible, and ensure small, minority and women-owned businesses are used (definitions of a S-3 business and a small, minority and/or women-owned business may overlap, permitting S-3 and affirmative marketing goals in these awards to be simultaneously met). Consultants who subcontract work are required to provide PHCD with a written explanation if the S-3 minimum subcontracting goal is not met.

Consultant shall demonstrate compliance in solicitation to the business categories, listed above, by following the steps described on page two of this Plan and providing evidence to PHCD when requested.

1. Refer any interested sub consultants that may meet the criteria to become a certified S-3 business to *PHCD Section 3 Coordinator* (Compliance) for S-3 business application assistance.

2. Email section3@miamidade.gov or jesher@miamidade.gov, *Section 3 Coordinator*, for current PHCD S-3 business lists and solicit to firms on these lists.

3. Contact *Miami Dade County Small Business Development*, 305-375-3121 or visit www.miamidade.gov to obtain lists of small businesses. Solicitations and awards must be made, where feasible, to various minority-owned firms, including minorities other than firm's own minority, and to women firms.

4. Advertise for S-3 sub consultants/subcontractors (subs) in construction trade journals, such as "The Dodge Reports", and post notices and distributes flyers at work site and surrounding neighborhood. The purpose of such advertisements is to make prospective subs aware of the Section 3 preference requirements applicable to PHCD project awards.

5. Fax, send or deliver ***"Sub consultant Solicitation to Section 3, Small, Minority and Women Businesses"*** form, to all prospective sub consultant firms solicited for each PHCD award.

6. Allow each sub consultant *a minimum of five business days* to respond to consultant's solicitation request. Include all ***"Letters of Intent"*** forms received from S-3, small, and minority, and women-owned sub consultants. Request sub consultants not interested or unavailable to bid to provide consultant with ***"Certificate of Unavailability"*** form.

7. Use the "***Outreach Documentation Form***" to document recruitment and follow-up with sub consultants. Make a second attempt to solicit to any S-3 firms who did not respond to the first solicitation attempt, using a variety of communication methods, i.e. facsimile, telephone, pager, e-mail, etc.

8. Consultants are required to negotiate with S-3 businesses, first and small, minority and women-owned businesses, second, if the sub consultant's bid amount would make the project infeasible.

9. Submit the following evidence to PHCD when requested (described under nos. 3-8 above and under "Contractors Recruitment of S-3, Small, Minority and Women businesses", page one, Para. one). Other post-award required submittals include *Document 00430,* ***"List of Subcontractors/Sub consultants"***, and, from consultant and its sub consultants or

subcontractors, *Documents 00450, 00452 and 00453,* ***"Estimated Workforce Breakdown", "Employee List" and "Consultant/Sub consultant Certification".***

10. For each PHCD project award, retain documentation of outreach efforts and responses received from any organizations and sub consultants contacted for three years after project is completed.

Joseph Chambers, Manager — 7/9/2015

Sign and **Print** Firm Official's Name and Title — Submission Date

Miami Redevelopment Partners, LLC

Firm Name/Address

Firm Telephone and Fax Numbers: T: 407-341-4550 F: 404-343-2237

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DOCUMENT REQUIRED WITH BID SUBMISSION FROM PROPOSERS WHO HAVE NOT PREVIOUSLY SUBMITTED PLAN UNDER MCC 7360 PLAN.

2 PROPOSER'S QUALIFICATIONS, EXPERIENCE, CAPACITY, PAST PERFORMANCE AND FINANCIAL STRENGTH

Miami Redevelopment Partners

205 E Central Boulevard, Suite 304 • Orlando, FL 32801
Tel 352.383.2968

July 8, 2015

Michael Liu, Director
Public Housing and Community Development
Miami-Dade County
701 NW 1st Court
Miami, FL 33136

RE: RFA 2015-01 – Liberty Square Rising

Dear Mr. Liu:

Miami Redevelopment Partners (MRP) is pleased to submit this response to the Request for Application for Developer issued by Miami-Dade County on behalf of the Public Housing and Community Development Department (PHCD) for Liberty Square Rising.

The development proposal for Liberty Square is intended to exceed the goals of Miami-Dade County by redeveloping the troubled Liberty Square public housing project along with the now vacant Lincoln Gardens site. The combined development of these sites will better leverage the public investments and neighborhood revitalization efforts while minimizing disturbance to the existing residents all while creating a safe and sustainable place to live.

MRP is formed by three extraordinary organizations with experience and capacity that makes us uniquely qualified to see PHCD's vision for the Liberty Square, Lincoln Gardens and other sites through to reality – Gardner Capital Development Florida (Gardner Florida), Pennrose Properties (Pennrose), and Duvernay + Brooks (D+B). Gardner Florida, Pennrose and D+B have formed Miami Redevelopment Partners to dedicate their resources to developing affordable and mixed income housing in Florida, combining national expertise in mixed finance public housing redevelopment with extensive experience in Florida housing development.

Gardner Florida is a full-service developer, syndicator/investor, builder, and manager of multifamily housing, led by a team of professionals with extensive experience developing affordable housing throughout Florida. **Pennrose Properties** is one of the nation's largest developers and owners of affordable housing and has particular expertise in the development of complex, multi-phase, mixed-finance public housing redevelopments. **Duvernay + Brooks**, is a national leader in providing advisory services to housing authorities and private developers for public housing revitalizations, as well as an accomplished developer of mixed finance public redevelopments and affordable housing.

The partners of MRP have developed over 17,000 units of affordable and mixed income housing and mixed use projects in more than 240 separate developments in fifteen states and the District of Columbia, with total development costs of more than $4 billion. The Team has over 1,300 units, with a total cost of $400 million, currently under construction.

Gardner Florida, is a subsidiary of Gardner Capital, a full service real estate developer, investor and syndicator. Formed in 2014 to develop affordable and mixed income projects throughout Florida, Gardner has extensive experience working through the local government approval process throughout the State of Florida, including Miami-Dade County and The City of Miami, and extensive experience with all Florida Housing Finance Corporation affordable housing finance programs.

Pennrose Properties, provides the MRP Team with a depth of expertise and capacity in all aspects of real estate development, ownership and management. Based in Philadelphia, with regional offices in Maryland and Tennessee, Pennrose is an award-winning, multifamily development and property management company that has developed more than 14,000 mixed-income units in more than 200 residential and mixed use developments throughout the Mid-Atlantic, Mid-South and Southeast, the majority of which Pennrose continues to own and manage. Pennrose is one of the nation's leading developers of mixed finance public housing, having successfully completed 85 mixed finance redevelopments.

Founded more than 40 years ago, Pennrose has achieved an outstanding reputation for producing and managing high quality housing. Pennrose and its affiliated Pennrose Management Company have a combined total of 450 full-time development, finance, construction, asset management and property management employees (including five in Baltimore and 3 in Chattanooga). Pennrose specializes in leading complex, multi-phased projects from master planning through implementation, and has a demonstrated commitment to actively engage and manage the community outreach process that is so crucial to the success of mixed finance developments.

Duvernay + Brooks has unsurpassed experience financing and developing public housing mixed finance projects. New York City-based D+B is a woman-owned business primarily focused on assisting housing authorities and their developer partners in implementing mixed finance public housing redevelopments. A co-author of the HUD mixed finance guidebook, D+B combines broad, general affordable housing finance and development experience with expertise in the issues faced by public housing authorities and the particular complexities inherent in mixed-income, mixed-finance public housing development.

D+B's has worked with housing authorities nationwide, including serving as an advisor to the Sarasota Housing Authority. D+B is currently a developer partner, along with Gardner Florida, to the Bradenton Housing Authority, and a co-developer with Pennrose on HOPE VI revitalizations in Brooklyn and Memphis. In addition to HUD mixed finance development expertise, D+B also brings to the MRP Team extensive experience with RAD, FHA multifamily, HUD homeownership and other HUD programs in.

As documented in this proposal, MRP Team members have demonstrated success in obtaining federal, State and local approvals. Gardner Florida, with staff that have served as project managers of affordable and mixed income housing throughout the state, has extensive experience with Florida, Dade County and City of Miami housing and development policies, codes and regulations, and a demonstrated track record of success in securing and utilizing Florida Housing Finance Corporation and other State affordable housing finance programs.

We appreciate the opportunity to present this response to you, and we look forward to working with the County and the City alongside the community in this revitalization.

Sincerely,

Joe Chambers
Managing Director
Gardner Capital Development Florida

3.5 | PROPOSER'S QUALIFICATIONS, EXPERIENCE, CAPACITY, PAST PERFORMANCE &FINANCIAL STRENGTH

A. QUALIFICATIONS OF THE PROPOSER

Gardner Capital Development Florida (Gardner Florida), Pennrose Properties (Pennrose), and Duvernay + Brooks (D+B) have formed Miami Redevelopment Partners to dedicate their resources to developing affordable and mixed income housing in Florida, combining national expertise in mixed finance public housing redevelopment with extensive experience in Florida housing development.

The partners of MRP have developed over 17,000 units of affordable and mixed income housing and mixed use projects in more than 240 separate developments in fifteen states and the District of Columbia, with total development costs of more than $4 billion. The Team has over 1,300 units, with a total cost of $400 million, currently under construction.

Gardner Florida is a subsidiary of Gardner Capital, a full-service developer, syndicator/investor, builder, and manager of multifamily housing, led by a team of professionals with extensive experience developing affordable housing throughout Florida. In 2014 Gardner Capital formed Gardner Florida, based in Orlando, to implement affordable and mixed income developments in Florida.

Gardner Florida Managing Director, Joe Chambers, has extensive experience developing affordable and mixed income housing throughout the State. Mr. Chambers began his career with Picerne Development, and his work included developing four mixed-finance developments with the Daytona Beach Housing Authority and the Winter Haven Housing Authority. For the Michaels Development Company, Mr. Chambers led the redevelopment effort for the Sarasota Housing Authority's Janie Poe redevelopment. After developing more than 2,000 units in Florida and the Southeast, with a total development cost of nearly $225 million, Mr. Chambers joined Gardner Capital as a Managing Director to lead all of its Southeast development efforts. Gardner has over 1,200 multi-family units in the predevelopment stage in Florida, including two market rate developments and five affordable housing developments.

Gardner Florida is able to draw upon the financial and development capacity of Gardner Capital. Over its 20-year history, Gardner has developed over 40 properties and sponsored more than $500 million of equity in affordable housing in 74 separate developments. Gardner Capital divisions also include construction and property management as well as development and tax credit investment, providing capacity to the MRP Team in all facets of affordable and mixed income housing development and operations.

Gardner's staff consists of 30 professionals with vast range of experience and expertise in all areas of real estate development, ownership and management. In addition to Orlando, Gardner has offices in Atlanta (5 staff members), Dallas (2), San Francisco (1), Springfield (MO) (13) and St. Louis (7).

Pennrose Properties is one of the nation's largest developers and owners of affordable housing and has particular expertise in the development of complex, multi-phase, mixed-finance public housing redevelopments. Based in Philadelphia, with regional offices in Maryland and Tennessee, Pennrose is an award-winning, multifamily development and property management company that has developed more than 14,000 mixed-income units in more than 200 residential and mixed use developments throughout the Mid-Atlantic, Mid-South and Southeast, the majority of which Pennrose continues to own and manage. Pennrose is one of the nation's leading developers of mixed finance public housing, having successfully completed 85 mixed finance redevelopments.

Founded more than 40 years ago, Pennrose has achieved an outstanding reputation for producing and managing high quality housing. Pennrose and its affiliated Pennrose Management Company have a combined total of 450 full-time development, finance, construction, asset management and property management employees (including five in Baltimore and 3 in Chattanooga). Pennrose specializes in leading complex, multi-phased projects from master planning through implementation, and has a demonstrated commitment to actively engage and manage the community outreach process that is so crucial to the success of mixed finance developments.

Duvernay + Brooks, is a national leader in providing advisory services to housing authorities and private developers for public housing revitalizations, as well as an accomplished developer of mixed finance public redevelopments and affordable housing. New York City-based D+B is a small (6 staff members), woman-owned business primarily focused on assisting housing authorities and their developer partners in implementing mixed finance public housing redevelopments. A co-author of the HUD mixed finance guidebook, D+B combines broad, general affordable housing finance and development experience with expertise in the issues faced by public housing authorities and the particular complexities inherent in mixed-income, mixed-finance public housing development.

Since its founding in 1999, D+B has advised housing authorities and private developers on developing more than 130 public housing mixed finance projects with 15,400 affordable and mixed income housing units and a total value of $2.4 billion, and has served as the co-developer of projects with more than 1,500 units and a total value of $344 million. D+B has also assisted dozens of housing authorities in preparing and implementing master plans, including more than 20 successful HOPE VI and Choice Neighborhood plans.

D+B's has worked with housing authorities nationwide on multi-phase, mixed finance public housing redevelopments, including serving as an advisor to the Sarasota Housing Authority on its Janie Poe redevelopment. D+B is currently a developer partner, along with Gardner Florida, to the Bradenton Housing Authority, and a co-developer with Pennrose on HOPE VI revitalizations in Brooklyn and Memphis. In addition to HUD mixed finance development expertise, D+B also brings to the MRP Team extensive experience with RAD, FHA multifamily, HUD homeownership and other HUD programs.

B. COMPARABLE PROJECTS

Comparable 1 - Prospect Plaza HOPE VI Redevelopment , Brooklyn, New York

1. Developer. Developed by a joint venture of Pennrose Properties, LLC, Duvernay + Brooks, LLC, Blue Sea Development Company, LLC, and the Rosenberg Housing Group, Inc. Phase I developer entity is PPD I, LLC; Phase II and III developer entity is PPD II, LLC.
2. Owner. Affiliates of the developer are the Managing Member of each Prospect Plaza phase, with tax credit investors as Investor Members (Red Stone Equity Partners for all phases). Phase I owner is Oceanhill I, LLC; Phase II owner is Oceanhill II, LLC; Phase III owner will be Oceanhill III, LLC.
3. Name and Address. Prospect Plaza HOPE VI Redevelopment; Address: Phase I - 1776 Prospect Place, Phase II - 1750 and 1796 Prospect Place, Phase III – Block 1467, Saratoga Avenue, address TBD.
4. Project Manager. Richard Barnhart, Pennrose Properties CEO, Project Executive; Gale Kaufman, D+B Managing Director, Project Manager; Brian Heeger, D+B Managing Director, Project Manager.
5. Description. Prospect Plaza will redevelop the three block area (approximately 4.5 acres) of the Prospect Plaza public housing development located in the Ocean Hill-Brownsville section of Brooklyn. Prospect Plaza, completed in 1974, originally included four high-rise towers with 365

public housing units. The four towers were demolished and will be replaced with the new construction of 385 low-income housing tax credit rental units, of which 80 will be public housing units, in three phases. The first phase (”Site 1” or “Prospect Plaza North”) closed in June 2014. It is comprised of 109 low income housing tax credit (LIHTC) rental units, of which 38 are public housing units, plus one superintendent's unit. The second phase, (“Site 2" or “Prospect Plaza South”) is comprised of 148 LIHTC rental units, of which 42 are public housing units, 20 are Section 8 project-based voucher (PBV) units, 86 are LIHTC-only units, plus one superintendent’s unit. The third phase will have 126 LIHTC units (including 8 PBV), a grocery store and a community center. An adjacent city-owned property will be maintained and operated as a park for residents and neighbors.

6. Acreage & Density. 4.5 acres; 80.4 units/acre
7. Units and Affordability Types. 385 total. ACC/Public Housing /Tax Credit Units -80, Section 8 PBV Units/Tax Credit Units – 28, 30% AMI Tax Credit Units – 6, 40% AMI Tax Credit Units -19, 50% AMI Tax Credit Units – 37, 60% AMI Tax Credit Units- 212, Super’s Units – 3
8. Unit Types. 80 units in two four-story walk-up buildings, 305 units in three six-story elevator buildings
9. Bedroom Mix. 1-br – 105, 2-br – 231, 3-br - 46
10. Non-Residential Space. Phase III of the project will include 23,300 square feet of retail space for a grocery store and a 10,500 square foot community center for both residents and community.
11. Income Groups. Phases I and II: units range from ACC/Public Housing, Section 8 PBV, 50% AMI and 60% AMI; Phase III: Section 8 PBV, 40% AMI, 50% AMI, 60% AMI
12. Total Development Costs. Phase I – $45,122,352 ; $410,203 per unit
    Phase II – $69,980,369; $469,667 per unit
    Phase III – $67,060,847; $418,762 per unit (excluding retail and comm. center)
13. Soft Costs. All transactions were tax-exempt bond financed, and Phases II and III have extensive soils issues requiring additional A&E costs.

    Phase I – $11,444,315; $104,039 per unit
    Phase II – $17,480,368; $117,317 per unit
    Phase III – $17,185,847; $136,395 per unit
14. Construction Costs. Phase I – $33,678,037; $306,164 per unit; $246/SF (incl. contingency)
    Phase II – $52,500,000; $352,349 per unit; $285/SF (incl. contingency)
    Phase III – $39,150,245; $310,716 per unit; $276/SF (excluding subsurface parking, retail and comm. center)
15. Developer Fee. Developer fee of approximately 11% all phases, 7% to 9% net of deferred fee. Net of deferred fee, the amount of fee to the developer is – Phase I $3.7 million; Phase II $4.28 million; Phase III $4.4 million.
16. Owner Participation. Housing Authority received 1% of the developer fee for Phase I; Housing Authority received 11% of the developer fee for Phase II; Phase III has no Housing Authority participation in funding, subsidy or developer fee. All deferred fees borne solely by Developer.

    Percentage of net revenues – After repayment of the deferred developer fee, NYC Dept. of Housing Preservation and Development receives 50% of net cash flow, and the remainder goes 90% to GP and 10% to investor LP.

17. Term of Contract. 99 year ground lease for all phases.
18. NTP. Phase I – 6/26/14, Phase II – 2/13/2015, Phase III – projected 1/1/2016
19. Pre-Construction Activities. 28 months phase I, 6 months phase II, 12 months phase III
20. HUD Approvals. Attached
21. Financial Closings. Phase I – 6/30/2014, Phase II – 12/30/2014, Phase III – 12/30/2015 (projected)
22. Completion. Phase I – 6/30/2016, Phase II – 12/31/2016, Phase III – 12/31/2017 (projected)
23. Current Phase. Phase I 60% complete.
24. Building Permit. Attached.
25. Construction Duration. Phase I –l24 months, Phase II – 24 months, Phase III – 24 months
26. Lease-up Duration. Phase I –Lease-Up – 3 months, Phase II – 3 months, Phase III – 3 months
27. On-Time/Budget. N/A Under Construction
28. Funding Summary.

    Phase I
    Tax Credit Equity – $20,651,753, Contact: Ryan P. Sfreddo, Managing Director, Red Stone Equity Partners, (212) 225-8300
    NYC Housing Development Corp. (HDC) Tax-Exempt Bond Financing – $2,710,000;
    HDC Capital Fund Loan - $4,680,000, Contact: Hammad Graham, NYC HDC (212) 227-9584
    NYC Dept. Housing Preservation and Development Capital Fund Loan - $6,600,000, Contact: William Budd, NYC HPD (212) 863-6482
    NYC Housing Authority (NYCHA) HOPE VI and RHF Loans - $9,552,392, Contact: William Crawley, NYCHA (212) 306-4073

    Phase II
    Tax Credit Equity – $31,286,871, Contact: Ryan P. Sfreddo, Managing Director, Red Stone Equity Partners, (212) 225-8300
    NYC Housing Development Corp. (HDC) Tax-Exempt Bond Financing – $ 7,610,000
    HDC HOME/Capital Fund Loan - $6,955,000, Contact: Hammad Graham, NYC HDC (212) 227-9584
    NYC Dept. Housing Preservation and Development Capital Fund Loan - $8,940,000, Contact: William Budd, NYC HPD (212) 863-6482
    NYC Housing Authority (NYCHA) HOPE VI and RHF Loans - $13,035,492, Contact: William Crawley, NYCHA (212) 306-4073

    Phase III
    Closing projected 12/30/15
29. Gap Funding. The New York City Housing Development Corporation and Department of Housing Preservation and Development Capital Funds loans and NYCHA RHF and HOPE VI loans provided gap funding for the two phases closed to date. Citibank subordinate financing, New York State Homes for Working Families and Community Investment funds are being sought as gap financing for Phase III.
30. Financing Sources Documentation. See attached
31. Community and Supportive Services. The Developer Team has an MOU with a non-profit organization, Brooklyn Bureau of Community Service, to provide on-site social services to project residents (including at the community center to be developed in the third phase of the project). The

resident service plan includes case management, family support workshops and counseling, early childhood workshops and referrals for home based child care, after-school, evening and weekend activity programs and education supports for school-age children, a green learning center that will be based at the rooftop greenhouse on the community center, financial literacy, technology programs and other adult education programs, and a variety of programs for seniors and adults with disabilities. The programs will be funded by reserves included in the budgets for each phase of the development.

32. Job Training/Section 3. Outreach efforts to date - Notices of the project were sent to 291 firms listed in the NYC M/WBE database and 237 firms listed in the NYS M/WBE database; Requests for bids were sent to 226 firms listed in the NYC and NYS M/WBE database who responded to outreach, 28 firms expressing interest met at Borough President M/W/LBE Procurement Fair, 2 local firms on a list obtained from Community Board 16, and 5 firms following a presentation given to members of the NYC Chapter of the National Association of Minority Contractors; Working with the NYC Department of Probation to place ex-offenders in construction jobs. To date, 20% of non-factory construction contracted to M/WBE firms and 62% of average monthly workforce are minorities. Total Section3 hires – 13; Total work orders sent to NYCHA – 14.

33. Property Manager. Cornell Pace Inc. (CPI), will manage all three phases of the property. CPI has over 1,900 units under management and extensive experience leasing and managing LIHTC and other affordable housing and working with local, state and federal housing programs.

34. Architect. Dattner Architects, John Woelfling, (212) 247-2660

35. General Contractors. Phase I – Blue Sea Construction Company, LLC, an affiliate of one of the members of the Developer, Les Bluestone, Principal; Phase II and III - Mega Contracting Inc., George G. Poulon, Vice President and Operations Manager

36. Rendered Site Plan, Renderings. See attached

Comparable 2 – Cleaborn Homes HOPE VI Redevelopment (Heritage Landing), Memphis, Tennessee

1. Developer. Developed by a LLC, a joint venture of Pennrose Properties, LLC, Duvernay + Brooks, LLC, and Community Capital, LLC. Developer entities: Memphis Triangle, LLC (Phases I and II), Memphis III GP LLC (Phase III), Memphis IV Developer, LLC (Phase IV)

2. Owner. Affiliates of the developer are the Managing Member of each Heritage Landing phase, with tax credit investors as Investor Members (RBC Capital Phased I & II, Raymond James Phase III, R4 Phase IV). Phase I owner is Memphis Triangle Senior, LLC; Phase II owner is Memphis Triangle Family, LLC; Phase III owner is Memphis Triangle III, LLC; Phase IV owner is Memphis Triangle IV, LLC.

3. Name and Address. 460 South Lauderdale, Memphis, Tennessee.

4. Project Manager. Mark Dambly, Pennrose Properties President, Project Executive, Mark Straub, Pennrose VP, Project Manager, Brian Heeger, D+B Managing Director, Project Manager.

5. Description. The Memphis Housing Authority selected Duvernay + Brooks, Pennrose Properties, and Community Capital to redevelop the Cleaborn Homes public housing site just south of downtown Memphis into new, mixed-income communities for families and seniors. The developer team prepared the winning application for $22 million of HOPE VI funds in 2010. When completed, Cleaborn Homes, now renamed Heritage Landing, will have 362 mixed-income units, including 278 garden apartments and townhouse units for families and an 84-unit, three-story elevator building

for seniors that contains 8,000 square feet of community space for educational, recreational, and health-care services.
The site features a 4,200 square foot community center and management office that includes a computer room, lounge, and fitness room. The site also features landscaped open space, parks and green infrastructure elements, including the replacement of all site utilities and the development of new streets, replacing the isolated "super-block" layout with a walkable community connected to the surrounding neighborhood. The development team worked closely with the Memphis Housing Authority to secure nearly $12 million for new infrastructure, including City bond funding, HOME funds and CDBG funds for the infrastructure

6. Acreage & Density. 25 acres; 14.5 units/acre.
7. Units and Affordability Types. 362 units total. ACC/Public Housing /Tax Credit Units -127, Section 8 PBV Units/Tax Credit Units – 107, 60% AMI Tax Credit Units- 73, Market Rate – 55.
8. Unit Types. 278 garden apartments and townhouse units for families and an 84-unit, three-story elevator building for seniors.
9. Bedroom Mix. 1-br – 90 (including 78 in senior building), 2-br – 184, 3-br – 80, 4-br – 8.
10. Non-Residential Space. Phase II included a 4,200 square foot community center and management office serving the entire development that includes a computer room, lounge, and fitness room.
11. Income Groups. Tax Credit units that range from ACC/Public Housing and Section 8 PBV through 60% AMI, and market rate units.
12. Total Development Costs.
    Phase I – $14,149,475; $168,446 per unit
    Phase II – $18,862,553; $177,948 per unit (incl. comm. bldg.)
    Phase III – $18,574,319; $ 176,898 per unit
    Phase IV – $13,611,227; $ 203,152 per unit
13. Soft Costs.
    Phase I – $4,891,691; $58,264 per unit
    Phase II – $4,789,369; $45,183 per unit
    Phase III – $4,036,957; $38,447 per unit
    Phase IV - $3,189,130; $47,599 per unit
14. Construction Costs.
    Phase I – $9,257,784; $110,212 per unit; $130/psf
    Phase II –$14,273,185; $134,653 per unit; $114/psf
    Phase III –$14,537,362; $138,451 per unit; $115/psf
    Phase IV - $10,422,098; $155,554 per unit; $132/psf
15. Developer Fee. Developer fee of 12% all phases. Fee amounts: Phase I $1.33 million; Phase II $1.8 million; Phase III $1.93 million; $1.3 million.
16. Owner Participation. Developer received 100% of developer fee and a construction management fee to developer for managing infrastructure program, equal to 5% of construction costs.

    Percentage of net cash flow – The Memphis Housing Authority receives 40% of net cash flow for years 1-10 of each phase, and 50% thereafter; the remainder goes 90% to Developer and 10% to investor LP.
17. Term of Contract. 99 year ground lease for all phases.
18. NTP. Phase I – 01/04/12, Phase II –11/28/12, Phase III – 12/05/14, Phase IV - 12/10/14

19. Pre-Construction Activities. 18 months Phase I, 12 months Phase II, 12 months Phase III, 12 months Phase IV
20. HUD Approvals. Attached.
21. Financial Closings. Phase I – 12/19/2011, Phase II – 11/1/2012, Phase III – 12/1/2013, Phase IV – 12/1/2014.
22. Completion. Phase I – 02/04/13, Phase II –08/29-11/21/13, Phase III – 11/28/14, Phase IV - 11/20/15 (anticipated.)
23. Current Phase. Phase IV 59% complete. Phase I-III 100% complete.
24. Building Permit/Cert. of Occ. Phase I-III sample cert. of occupancies attached (each phase is multiple buildings), along with Phase IV building permit.
25. Construction Duration. Phase I –12 months, Phase II – 12 months, Phase III – 12 months, Phase IV 12 months.
26. Lease-up Duration. Phase I –Lease-Up – 6 months, Phase II – 6 months, Phase III – 6 months, Phase IV – 6 months.
27. On-Time/Budget. Phases I-III were completed on-time and on-budget (Phase II had cost savings); Phase IV is under construction.
28. Funding Summary.

Phase I

Tax Credit Equity – $4,599,475, Contact: Chris Tully, (212) 618-5619
Memphis Housing Authority HOPE VI & RHF Loan – $5,850,000, Contact: Quincy Jones, HOPE VI Project Manager, (901) 544-1141
City of Memphis CIP and HOME funds Loans - $3,700,000, Contact: Quincy Jones, HOPE VI Project Manager, (901) 544-1141 (MHA was lender of the City Funds)

Phase II

Tax Credit Equity – $31,286,871, Contact: Chris Tully, (212) 618-5619
Memphis Housing Authority HOPE VI & RHF Loan – $5,475,000, Contact: Quincy Jones, HOPE VI Project Manager, (901) 544-1141
City of Memphis CIP and HOME funds Loans - $3,750,000, Contact: Quincy Jones, HOPE VI Project Manager, (901) 544-1141
(MHA was lender of the City Funds)
Memphis Housing Authority HOPE VI & RHF Infrastructure loan - $4,549,827, Contact: Quincy Jones, HOPE VI Project Manager, (901) 544-1141

Phase III

Tax Credit Equity – $10,174,319, Contact: Brant Fensin, 727-567-1396
Memphis Housing Authority HOPE VI & RHF Loan – $ 4,735,000, Contact: Quincy Jones, HOPE VI Project Manager, (901) 544-1141
City of Memphis CIP and HOME funds Loans - $3,665,000, Contact: Quincy Jones, HOPE VI Project Manager, (901) 544-1141
(MHA was lender of the City Funds)
Memphis Housing Authority HOPE VI, RHF, City Capital and City HOME Infrastructure loan - $4,565,602, Contact: Quincy Jones, HOPE VI Project Manager, (901) 544-1141

Phase IV
Tax Credit Equity – $6,875,000, Contact: Jay Segel, (617) 502-5946
Memphis Housing Authority HOPE VI & RHF Loan – $3,041,227, Contact: Quincy Jones, HOPE VI Project Manager, (901) 544-1141
City of Memphis CIP and HOME funds Loans - $3,695,000, Contact: Quincy Jones, HOPE VI Project Manager, (901) 544-1141 (MHA was lender of the City Funds)
Memphis Housing Authority HOPE VI, RHF, City Capital and City HOME Infrastructure loan - $2,744,574, Additional City funding for park improvements and public art - $350,000
Contact: Quincy Jones, HOPE VI Project Manager, (901) 544-1141

29. Gap Funding. The City of Memphis Capital Funds and HOME fund loans provided gap funding.

30. Financing Sources Documentation. See attached

31. Community and Supportive Services. The development has an extensive community and supportive services program (CSS) funded by HOPE VI funds. MHA and the developer team designed the CSS program and created a partnership with Urban Strategies Memphis HOPE to coordinate the program, with providers such as Women's Foundation for a Greater Memphis, and Shelby County Head Start.

32. Job Training/Section 3. Results:

Heritage Landing Phase I
MBE – 34.80%
WBE -2.36%
WBE/MBE – 37.16%
Section 3 – 51.7% new hires

Heritage Landing Phase II
MBE – 34.88%
WBE -6.07%
WBE/MBE – 40.95%
Section 3 – 63.8% new hires

Heritage Landing Phase III Vertical
MBE – 24.37%
WBE -17.16%
WBE/MBE – 41.53%
Section 3 – 46.9% new hires

Heritage Landing Phase IV (Project Ongoing)
MBE – 24.27%
WBE -10.72%
WBE/MBE – 34.99% new hires (to date)

33. Property Manager. ALCO Management (ALCO), is property manager for all phases of the project. Alco Management ranks among America's top 100 operators of affordable multi-family housing with a portfolio of more than 6,500 apartment units in eight Southeastern states.

34. Architect. Looney Ricks Kiss, Rob Norcross, Principal, (901) 577-9245

35. General Contractors. All Phases - Capstone Building, Chris Travis, Senior VP

36. Rendered Site Plan, Photos. See attached

Comparable 3 – Delaware County Fairgrounds, Chester, PA

1. Developer. Pennrose Properties, LLC.
2. Owner. Affiliates of the developer are the Managing Member of each phase, with tax credit investors as Investor Members.
3. Name and Address. Delaware County Fairgrounds – 2000 Tolston Street, Chester, PA 19013.
4. Project Manager. Mark Dambly, Pennrose Properties President, Project Executive; Ryan Baily, Pennrose Properties, Project Manager.
5. Description. The Delaware County Fairgrounds housing development contained a total of 319 deteriorating units and an inactive community center. Pennrose worked with the Delaware County Housing Authority to undertake a comprehensive community revitalization effort of the development. Upon completion of the 4-phase redevelopment, all existing buildings and infrastructure will have been demolished and replaced with a state-of-the-art community center and 263 high-quality affordable rental units for seniors and families.

   The new master planned development offers a complete menu of social services such as education, job training and placement, homeownership counseling and family self-sufficiency. With the support of Delaware County and Chester Township, the Fairgrounds initiative provides low income residents abundant opportunities for housing and social and economic development by meeting their needs in a desirable and attractive setting.

   Phase 1 demolished 151 of the 319 units and delivered 73 two and three bedroom rental townhouses serving low income households in December 2008. Phase 1 is 100% occupied. Phase 2 demolished an additional 112 units and constructed 71 one to four bedroom affordable rental townhomes and a 5,000 sq. ft., LEED Gold Certified community center in November 2010. The third phase delivered a 48 unit, LEED Gold Certified, affordable senior building in 2012. Phase 4 demolished the remaining 56 units and constructed 71, one to four bedroom affordable rental townhomes completed in 2013.

6. Acreage & Density. 30 acres; 10 units/acre.
7. Units and Affordability Types. 299 units total. 130 ACC Affordable Rental, 133 LIHTC Rental.
8. Unit Types. 48 Unit 3-Story Senior Building, 215 2-Story Townhouses.
9. Bedroom Mix. 64 1 Bedroom, 106 2 Bedroom, 85 3 Bedroom, 8 4 Bedroom.
10. Non-Residential Space. Community Building – 5,000 gsf, Senior Building – Community Space – 2,700 gsf.
11. Income Groups. Tax Credit units that range from ACC/Public Housing and through 50% AMI and 60% AMI.
12. Total Development Costs. $70.4 million all four phases, average $267,558 per unit.
13. Soft Costs. $19.4 million all phases, average $73,869 per unit.
14. Construction Costs. $50.9 million, average $193,689 per unit, $159.63/gsf.
15. Developer Fee. Developer fee of 7.5% all phases. The fee was $1.5 million for each phase.

16. Owner Participation. Developer received 100% of developer fee. Percentage of net cash flow – Developer receives 25%, housing authority receives 25%.
17. Term of Contract. 99 year ground lease for all phases.
18. NTP. Phase 1 – 1/2008, Phase 2 – 12/2009, Phase 3 – 4/2011, Phase 4 – 6/2012
19. Pre-Construction Activities. 18 months each phase.
20. HUD Approvals. Attached.
21. Financial Closings. Phase 1 – 1/2008, Phase 2 – 12/2009, Phase 3 – 4/2011, Phase 4 – 6/2012.
22. Completion. Phase 1 1/2009, Phase 2 12/2010, Phase 3 4/2012, Phase 4 6/2013.
23. Current Phase. Phase 1-4 are fully constructed and fully occupied.
24. Certificates of Occupancy. Samples of Phase IV Cert. of Occ. Are attached.
25. Construction Duration. 12 months all phases.
26. Lease-up Duration. 6 months all phases.
27. On-Time/Budget. All phases completed on-time and on-budget.
28. Funding Summary. Combined sources for all phases:

    LIHTC Equity = $44.2M Centerline – Phase 1 (no longer in business, contact not avail.), Alliant (Steve Merritt 818-449-5144) – Phase 2, Wells Fargo – Phase 3 (Korbin Heiss 212-214-7348), Bank of America – Phase 4
    Delaware County Housing Authority = $8.38M Larry Hartley (DCHA) – 610-876-3334
    TCAP (PHFA) = $7.17M Holly Glauser (PHFA) – 717-780-3994
    Delaware County HOME = 3.6M Linda Hill (Delaware County OHCD) – 610-565-7968
    Hard Debt = $1.5M CitiBank
    PennHOMES (PHFA) = $1.4M Holly Glauser (PHFA) – 717-780-3994
29. Gap Funding. Delaware County HOME and PHFA PennHOMES funds provided gap funding.
30. Financing Sources Documentation. See attached
31. Community and Supportive Services. Community and Supportive Services were provided by the Delaware County Housing Authority. Residents receive a full menu of supportive services on site and via referral service with more than 30 service providers.
32. Job Training/Section 3. Individual and subcontractor Section 3 programs and hiring took place during each construction phases. Each phase hired between 5 and 15 Section 3 individuals and between 8-15% of contracts went to Section 3 subcontractors.
33. Property Manager. Delaware County Housing Authority is the Property Manager. DCHA owns the ground as well and makes available the site through a series of long term ground leases.
34. Architect. Wallace Roberts and Todd Architects, Philadelphia, PA; Nando Micale - (215) 732-5215 x489
35. General Contractors. All Phases - Harkins Builders – Media, PA.
36. Site Plan, Photos. See attached

Comparable 4 – Orchard Ridge Redevelopment, Baltimore, MD

1. Developer. Pennrose Properties, LLC.
2. Owner. Affiliates of the developer are the Managing Member of each phase, with tax credit investors as Investor Members.
3. Name and Address. Orchard Ridge Redevelopment, 4300 Orchard Ridge Blvd. Baltimore, MD 21213.
4. Project Manager. Ivy Dench-Carter – Pennrose VP, Project Executive; Patrick Stewart, Pennrose, Project Manager.
5. Description. Orchard Ridge is a vibrant 413-unit, multi-phase, master-planned community built on the sites of the former Freedom Village Apartments and the Claremont Homes public housing complex in northeast Baltimore. The combined 59 acre site formerly contained 752 rental units that were demolished to make way for a revitalized, mixed-income community of rental apartments and for-sale homes in a traditional neighborhood setting.

   The new development consists of 378 rental units, 35 homeownership units, and a brand new clubhouse. The Orchard Ridge Redevelopment includes a mix of rental apartments and for-sale single family homes. The rental homes are configured in a townhouse-style building typology which creates the appearance of single-family homes and contributes to the cohesive traditional neighborhood fabric. The project includes affordable as well as market-rate apartments, and offers high quality living opportunities for persons with disabilities.

   The architecture of the buildings across all four phases is consistent, featuring attractive elevations combining brick, hardi-plank and other materials to vary the appearance of the façade. The site is attractively landscaped and includes multiple playgrounds to provide recreational opportunities. All phases of the project benefit from an array of community amenities, including on-site management and supportive services, a community Clubhouse with community space, access to computers, and a fitness room. Various phases of the project have achieved certification under the National Green Building Standards program, and are Energy Star certified.

   Early phases included environmental remediation, demolition of all previously existing units, significant mass grading operations, and installation of major public utilities and infrastructure. Orchard Ridge has involved an on-going partnership with the City of Baltimore, Baltimore Housing, the Housing Authority of Baltimore City and other City and State agencies. Pennrose and its team have also developed a strong collaborative relationship community stakeholders and resident groups.
6. Acreage & Density. 59 acres; 8 units/acre.
7. Units and Affordability Types. 413 units total. 378 affordable rental (181 Section 8 PBV and 197 LIHTC) and 35 affordable homeownership units.
8. Unit Types. Mid-rise elevator building (rental) - 77 units, Stacked townhouse / flat buildings (rental) – 301 units, 2-3 story walk-up townhouses (for sale) - 35.
9. Bedroom Mix.
   Orchard Ridge I (100 units)
   1 BR – 20
   2 BR – 48
   3 BR – 30
   4 BR – 2

Orchard Ridge II (72 units)
1 BR – 22
2 BR – 30
3 BR – 19
4 BR – 1

Orchard Ridge III (77 units)
1 BR – 59
2 BR – 18

Orchard Ridge IV (64 units)
1 BR – 16
2 BR – 32
3 BR – 32

10. Non-Residential Space. Approximately 5,000sf multi-purpose community building, with fitness room, community space for events and gatherings, computers with internet access, kitchen, and space for on-site management and maintenance personnel.

11. Income Groups. 30% - 60% AMI and market-rate.

12. Total Development Costs. $105.6 million all four phases, average $220,921 per unit.

13. Soft Costs.
Orchard Ridge I - $5,157,880/$51,578 per unit
Orchard Ridge II - $4,363,890/$60,609 per unit
Orchard Ridge III – $4,324,795/$56,166 per unit
Orchard Ridge IV - $6,421,056/$100,329 per unit

14. Construction Costs.
Orchard Ridge I - $13,646,120/$136,461 per unit/$115.24 psf
Orchard Ridge II - $9,300,100/$129,168 per unit/$113.09 psf
Orchard Ridge III - $8,436,205/$109,561 per unit/$152.15 psf
Orchard Ridge IV - $9,172,731/$143,323 per unit/$124.44 psf

Developer Fee.
Orchard Ridge I – $1,846,067 (10%)
Orchard Ridge II – $1,379,745 (10.2%)
Orchard Ridge III – $1,308,921 (9.5%)
Orchard Ridge IV – $1,656,912 (9.4%)

15. Owner Participation. Developer received 85% of developer fee and net cash flow, the housing authority receives 15% of developer fee and net cash flow.

16. Term of Contract. 99 year ground lease for all phases.

17. NTP. Orchard Ridge I – August 10, 2007, Orchard Ridge II – December 27, 2007, Orchard Ridge III – December 19, 2008, Orchard Ridge IV – September 19, 2003.

18. Pre-Construction Activities. 18 months each phase.

19. HUD Approvals. Attached.

20. Financial Closings. Orchard Ridge I – August 10, 2007, Orchard Ridge II – December 27, 2007, Orchard Ridge III – December 19, 2008, Orchard Ridge IV – September 19, 2013.

21. Completion. Orchard Ridge I – July 31, 2008, Orchard Ridge II - February 28, 2009, Orchard Ridge III – October 22, 2009, Orchard Ridge IV – October 31, 2014

22. Current Phase. Phases 1-4 have been completed and fully occupied.
23. Certificates of Occupancy. Samples of Phase IV Cert. of Occ. Are attached.
24. Construction Duration. 11 months Phase I, 14 months Phase II, 11 months Phase III, 13 months Phase IV.
25. Lease-up Duration. 3 months or less all phases.
26. On-Time/Budget. All phases completed on-time and on-budget.
27. Funding Summary. Combined sources for all phases:

    Orchard Ridge I
    AGM Loan ($3.5M); HOME Loan ($2.4M); Partnership Rental ($3M); HABC – Upfront Grant ($3.2M); and LIHTC ($7,284,000) – Total: $19,384,048

    Orchard Ridge II
    FHA Loan ($2.5M); Rental Housing Funds ($1.5M); HOME Loan ($600K); and LIHTC ($9,499,000) – Total: $14,099,000

    Orchard Ridge III
    HOME Loan ($2,250M); Partnership Rental ($6,545M); and LIHTC (3,966,000) – Total: $12,761,000

    Orchard Ridge IV
    Long Term Bond (4,185M); Rental Housing Works ($2.5M); HOME Loan ($1,680M); Partnership Rental ($375K); HABC – Capital Account ($1,280,000); Deferred Fee ($409,228); and LIHTC ($5,164,559) – Total: $15,593,787
28. Gap Funding. The housing authority, the County and deferred developer fee provided gap funding.
29. Financing Sources Documentation. See attached
30. Community and Supportive Services. Orchard Ridge has a Support Service Coordinator that serves the entire community. Activities include a Fresh Food Truck that comes on property on several times a month, a Summer Youth breakfast and lunch program, coordinated medical screenings and other primary health care services.
31. Job Training/Section 3. Section 3 employment – 52 hires. M/WBE and Disadvantaged business contracting participation - Orchard Ridge I 50.1%, Orchard Ridge II 50.9%, Orchard Ridge III 62.2%, Orchard Ridge IV 46.8%.
32. Property Manager. Pennrose Management Company.
33. Architect. Wallace Roberts and Todd Architects, Philadelphia, PA; Nando Micale - (215) 732-5215 x489
34. General Contractors. All Phases - Harkins Builders – Media, PA.
35. Site Plan, Photos. See attached

C. MIAMI-DADE COUNTY CONTRACTS

Not applicable.

D. DEVELOPMENTS COMPLETED IN THE PAST 10 YEARS

A chart showing developments completed by the members of MRP is attached. In the past 10 years, MRP members have developed over 9,200 units of housing with a total development cost of over $2.1 billion.

E. DEVELOPER FINANCIAL INFORMATION AND LITIGATION

1. Financial Statements. Financial statements for all MRP members are attached.

2. Litigation. No MRP Development Team members have any prior or pending, civil or criminal, litigation within the last three years involving a governmental agency or which may affect the performance of the services to be rendered to Miami-Dade County for the redevelopment of Liberty Square and Lincoln Gardens.

F. EXPERIENCE PARTNERING WITH SMALL AND MINORITY AND/OR WOMEN-OWNED FIRMS

The members of MRP have a long track record of successfully partnering with small, minority and women-owned firms. In addition, Miami Redevelopment Partners is a joint venture that includes a small, woman-owned firm, Duvernay + Brooks, LLC (D+B), a New York State-certified WBE. D+B and Pennrose Properties have worked together on numerous developments, including several multi-phase, mixed finance public housing redevelopments – the Wellington Ridge HOPE VI redevelopment in Chester, Pennsylvania, the Cleaborn Homes (Heritage Landing) HOPE VI redevelopment in Memphis, Tennessee, and the Prospect Plaza HOPE VI redevelopment in Brooklyn, NY (the latter two profiled in Section 3.5.B).

For Cleaborn Homes, Pennrose and D+B partnered with a small, minority-owned firm, Community Capital, LLL. Other D+B-Pennrose partnerships have included the three-phase Bradhurst Urban Renewal Area in Harlem, which consists of two 12-story, buildings with a total of 269 for-sale units and a 23-unit tax credit rental development, on which Pennrose and D+B partnered with a local faith-based community organization, Harlem Community Congregations for Improvement.

HUD APPROVAL ATTACHMENTS

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, D.C. 20410-5000

OFFICE OF THE ASSISTANT SECRETARY
FOR PUBLIC AND INDIAN HOUSING

DEC 2 2014

Mr. Robert Lipscomb
Executive Director
Memphis Housing Authority
700 Adams Avenue
Memphis, TN 38105

Subject: Approval of Development Proposal
Cleaborn HOPE VI Project: Cleaborn Pointe at Heritage Landing Phase IV
HOPE VI Grant Number: TN43URD001I109
Project Number: TN001000077

Dear Mr. Lipscomb:

The Department of Housing and Urban Development (HUD) hereby approves the Development Proposal submitted by the Memphis Housing Authority (MHA) for Phase IV of the redevelopment of the Cleaborn public housing project. This submission satisfies the requirements of 24 CFR 905.606. This approval is subject to the conditions contained in this letter.

HUD also approves the draft evidentiary documents submitted by MHA to HUD, as described in Exhibit E of the Mixed-Finance Amendment to the Consolidated Annual Contributions Contract (Mixed-Finance Amendment). MHA is authorized to have all evidentiary documents executed and recorded as necessary. Upon execution by the appropriate parties, the documents to be recorded must be filed for record in the order approved by HUD.

HOME Program Funds

As you know, a portion of the development costs for this Project are proposed to be funded by the public housing Capital Fund program, the HOPE VI program, the Low-Income Housing Tax Credit (LIHTC) program and the HOME program. The HOME program funds must be spent on eligible costs and must not be intermingled with Public Housing Capital funds as stipulated in the regulations for the HOME program at 24 CFR 92.205(d) governing the cost allocation of the HOME funding. In addition, rental projects with five or more assisted units and HOME funding must include at least 20 percent of the units to be occupied by families with incomes that do not exceed 50 percent of the HUD-adjusted median. It appears that the Cleaborn Pointe at Heritage Landing Phase IV mixed-financing transaction complies with the HOME program rules; however, the Office of Public Housing Investments strongly recommends that MHA and its Cleaborn Pointe development partner consult with the HUD Office of Community Planning and Development or the grantor of HOME funds to ensure that this Project meets the requirements regarding the allocation of HOME funds in projects with a mix of HOME and public housing units.

Project Description

As shown in Exhibit C of the Mixed-Finance Amendment, Cleaborn Pointe at Heritage Landing Phase IV redevelopment includes construction of 67 new rental units, of which 15 will be public housing/Low Income Housing Tax Credit (LIHTC) units, 21 will be LIHTC-only units, 17 will be LIHTC/Project Based Voucher units, and 14 will be market rate units. Eight of the LIHTC-only units will also be set aside as HOME units (Attachment 1).

The Project will be constructed in accordance with Section 504 of the Rehabilitation Act of 1973 or the 2010 ADA Standards for Accessible Design with exceptions as noted at FR-5784-N-01 Nondiscrimination on the Basis of Disability in Federally Assisted Programs and Activities: http://www.gpo.gov/fdsys/pkg/FR-2014-05-23/pdf/2014-11844.pdf, the Architectural Barriers Act (ABA), Title II of the Americans with Disabilities Act (ADA), the Fair Housing Act. A total of 4 units or 6 percent will be accessible for mobility impaired persons and 2 units or 3 percent will be accessible for hearing and sight impaired persons. Accessibility will be spread across all units in this phase. For additional information regarding accessibility, please refer to PIH Notice 2010-26, which can be found at:
http://www.hud.gov/offices/pih/publications/notices/10/pih2010-26.pdf

As described in Exhibit A of the Mixed-Finance Amendment, the project will be developed by Memphis IV GP, LLC. The project will be owned by Memphis Triangle Phase IV, LLC, whose Managing Member is Memphis IV GP, LLC. The Equity Investor is R4 HL Acquisition, LLC.

Project Financing

As shown in Exhibit F of the Mixed-Finance Amendment, the total construction budget for the project is $15,834,109 (Attachment 2) and the total permanent budget is $16,626,802 (Attachment 3).

Total Development Cost Limits

The development budget results in a Total Development Cost (TDC) that is within the TDC limits imposed on public housing development projects in the City of Memphis, as specified in HUD Notice 2011-38. Extraordinary Site Costs of $2,043,504 were approved for this project by letter dated July 24, 2014. The project costs are at 27.08 percent of the HCC limit and 93.84 percent of the TDC limit (Attachment 4).

Subsidy Layering Review

As required by 24 CFR 905.610(b) and pursuant to section 102(d) of the Department of Housing and Urban Development Reform Act of 1989 (42 U.S.C. 3545), HUD has conducted a subsidy layering analysis for the project and herby certifies that the amount of assistance being provided by HUD is not more than is necessary to make the project feasible, after taking into account other governmental assistance.

To make this certification, HUD reviewed all sources and uses of funds, development costs and fees, and project revenues and expenses, and found them to be reasonable and within HUD's Cost Control and Safe Harbor Standards (released by the Office of Public Housing Investments on April 9, 2003) and within the TDC and HCC limits imposed by HUD. In addition, the amount of public housing funds committed to the project met the HUD pro rata test, in that the proportion of public housing funds did not exceed the proportion of public housing

units.

Finally, as the project included LIHTCs as part of the financing, the project was reviewed to ensure that the sale of these tax credits would result in an amount of net tax credit equity that is consistent with amounts generally contributed by investors in similar projects and under similar market conditions, and not less than 51 cents per dollar of tax credit allocation. Our review indicated that the gross equity contribution per dollar of LIHTC allocation is $.89 and the net syndication proceeds to the Equity Investor is $.90 per dollar of tax credit allocation (Attachments A, B and C).

Change to the Approved Proposal

After approval of the Development Proposal, should a change be required, pursuant to 24 CFR 905.610(e), HUD must first approve any material change. HUD defines material change as:

(1) A change in the number of public housing units;

(2) A change in the number of bedrooms by an increase/decrease of more than 10 percent;

(3) A change in cost or financing by an increase/decrease of more than 10 percent; or

(4) A change in the site.

MHA must submit a letter informing HUD of the nature of the change. A new subsidy layering analysis may be necessary.

Next Steps

MHA may proceed to execute three copies of the Mixed-Finance Amendment and then submit all copies to the HUD Memphis Field Office, where Marcia Lewis, the Public Housing Director, will execute all copies on behalf of HUD. She will keep one copy for use by her office and return the other copies to MHA. MHA should retain one copy and provide one copy to the Owner.

Execution of the above document assures that 15 units are public housing units for all purposes, including the Operating Fund, and that the units will be eligible to receive operating subsidy. Consequently, the public housing units must be managed and operated in compliance with all public housing requirements.

After execution and recordation of the evidentiary documents, MHA should submit the following to Kevin Jones at HUD Kansas City Field Office for final HUD review and approval:

1) a compact disc containing copies of all executed and recorded evidentiary materials previously submitted and approved by HUD. The index of documents and each document are to be copied to the CD as discrete files;

2) the required HUD opinion of counsel:

3) a certification from counsel attesting that no changes to the evidentiary materials previously submitted to and approved by HUD have been made, or if changes have been made, a list of all changes;

4) the final title insurance policy that reflects the recordation of all liens, mortgages and encumbrances against the property in the order approved by HUD.

Upon Construction Completion

A new project number, TN001000077, and a Target Date of Full Availability (DOFA) of February 2016 have been created and entered in the PIC system. In accordance with 24 CFR 990.120(b) and 24 CFR 990.140, a PHA is eligible to receive operating subsidy for a unit once it is both placed under the ACC and occupied by a public housing eligible family under lease. Upon the completion of this project and when the actual DOFA date is known, please provide it via form HUD-52423 to the HUD Memphis Field Office. The actual DOFA date sets the age coefficient for the PEL and places the project under management status. This will also allow for the upload of occupancy information via HUD form-50058 and for the provision of operating subsidy to this Project.

Congratulations on reaching this major milestone in the redevelopment of the Cleaborn Homes public housing development. Should you have any questions, please contact Kevin Jones at (913) 551-6515.

Sincerely,

Susan A. Wilson

Susan A. Wilson
Director, Office of Urban Revitalization
Office of Public Housing Investments

Enclosures

cc: Marcia Lewis, HUD Memphis Field Office

ATTACH 1

EXHIBIT C

UNIT BREAKDOWN

Public Housing Units with Low Income Housing Tax Credits					
Unit Type	**1BR**	**2BR**	**3BR**	**4BR**	**Total**
Detached/Semi-Detached	-	-	-	-	-
Elevator	-	-	-	-	-
Row House	-	7	4	-	11
Walk-up	1	1	2	-	4
Total Public Housing Units	**1**	**8**	**6**	**-**	**15**

LIHTC-Only Housing Units					
Unit Type	**1BR**	**2BR**	**3BR**	**4BR**	**Total**
Detached/Semi-Detached	-	-	-	-	-
Elevator	-	-	-	-	-
Row House	-	10	6	-	16
Walk-up	1	2	2		5
Total Non Subsidized LIHTC Units	**1**	**12**	**8**		**21**

Project-Based Voucher Units with Low Income Housing Tax Credits					
Unit Type	**1BR**	**2BR**	**3BR**	**4BR**	**Total**
Detached/Semi-Detached	-	-	-	-	-
Elevator	-	-	-	-	-
Row House	-	7	4	2	13
Walk-up	1	2	2	-	4
Total PBV/LIHTC Units		**9**	**6**	**2**	**17**

Market Rate Housing Units					
Unit Type	**1BR**	**2BR**	**3BR**	**4BR**	**Total**
Detached/Semi-Detached	-	-	-	-	-
Elevator	-	-	-	-	-
Row House	-	12	1	-	13
Walk-up		1	0	-	1
Total Market Units		**13**	**1**	**-**	**14**

ATTACHMENT #2

CONSTRUCTION PERIOD SOURCES AND USES
EXHIBIT F TO THE MIXED-FINANCE ACC AMENDMENT

SUMMARY BUDGET -- CURRENT PHASE ONLY (CONSTRUCTION PERIOD)

Applicant PHA/Grantee:	Memphis Housing Authority
Grant Name, if applicable:	Cleaborn HOPE VI Revitalization
Phase/Project Name:	Heritage Landing Phase IV
PIC Development Number:	0

Unit Type:	Rental Public Housing	Rental non-PH	HO w/PH Assistance	HO w/o PH Assistance	Total Units this Phase
Number of Units (entered on Unit Mix worksheet):	15	52	-	-	67

Part A: Development Sources	Loan/Grant/Equity	PH Capital Assist.	Private Funds	Other Public Funds	Total
MHA HOPE VI	Loan	$ 1,670,365	$ -	$ -	$ 1,670,365
MHA RHF	Loan	$ 1,279,995	$ -	$ -	$ 1,279,995
City CIP (MHA Loan)	Loan	$ -		$ 2,760,000	$ 2,760,000
City HOME (MHA Loan)	Loan	$ -		$ 935,000	$ 935,000
LIHTC Equity	Equity	$ -	$ 6,173,174	$ -	$ 6,173,174
		$ -	$ -	$ -	$
Total Development Sources (Part A)		$ 2,950,360	$ 6,173,174	$ 3,695,000	$ 12,818,534

Part B: Additional Sources		PH Capital Assist.	Private Funds	Other Public Funds	Total
MHA HOPE VI		$ 1,521,971	$ -	$ -	$ 1,521,971
MHA RHF		$ 557,723	$ -	$ -	$ 557,723
City HOME				$ 421,988	$ 421,988
City CIP		$ -	$ -	$ 395,783	$ 395,783
City CDBG		$ -	$ -	$ 118,110	$ 118,110
Total Additional Sources (Part B)		$ 2,079,694	$ -	$ 935,881	$ 3,015,575
Total Sources this Phase (Parts A and B)		$ 5,030,054	$ 6,173,174	$ 4,630,881	$ 15,834,109

Part A: Development Uses Development Construction Costs	HUD Bdgt Line Item	PH Capital Assist.	Private Funds	Other Public Funds	Total
Residential Construction	1460	$ 432,750	$ 2,739,556	$ 3,695,000	$ 6,867,306
Builder's General Requirements	1460	$ -	$ 516,058	$ -	$ 516,058
Builder's Overhead	1460	$ -	$ 172,019	$ -	$ 172,019
Builder's Profit	1460	$ -	$ 516,058	$ -	$ 516,058
Construction Contingency	1460	$ -	$ 492,719	$ -	$ 492,719
FF&E	1460	$ -	$ 75,000	$ -	$ 75,000
Site Improvement	1450	$ 1,692,070	$ 90,867	$ -	$ 1,782,937
	1470	$ -	$ -	$ -	$ -
Subtotal: Development Construction Costs		$ 2,124,820	$ 4,602,278	$ 3,695,000	$ 10,422,098

Development Soft Costs	HUD Bdgt Line Item	PH Capital Assist.	Private Funds	Other Public Funds	Total
Acquisition of Site(s)	1440	$ -	$ -	$ -	$ -
Accounting and Cost Certification	1430	$ -	$ 49,845	$ -	$ 49,845
Appraisal Expense	1430	$ 5,000	$ -	$ -	$ 5,000
Architect & Engineer Fees	1430	$ 444,000	$ -	$ -	$ 444,000
Environmental Assessment, Testing & Cleanup	1430	$ 25,000	$ -	$ -	$ 25,000
Financing & Application Expense, Lender	1430	$ -	$ -	$ -	$ -
Financing & Application Expense, Tax Credit	1430	$ 92,390	$ -	$ -	$ 92,390
Insurance, Construction Period	1430	$ -	$ -	$ -	$ -
Interest, Construction & Bridge Loan(s)	1430	$ -	$ -	$ -	$ -
Legal Expense, Developer & Lender(s)	1430	$ 58,000	$ 232,000	$ -	$ 290,000
Marketing & Lease-up Expense	1430	$ -	$ 104,000	$ -	$ 104,000
Permits, Construction & Utility Hookup	1430	$ -	$ 25,000	$ -	$ 25,000
PILOT & Taxes, Construction Period	1430	$ 131,150	$ -	$ -	$ 131,150
Survey	1430	$ 20,000	$ -	$ -	$ 20,000
Title & Recording Fees	1430	$ 50,000	$ -	$ -	$ 50,000
Taxes and Insurance Escrow	1430	$ -	$ 44,000	$ -	$ 44,000
Inspection Fee	1430	$ -	$ 17,000	$ -	$ 17,000
Developer Fee		$ -	$ 779,051	$ -	$ 779,051
Contingency	1430	$ -	$ 70,000	$ -	$ 70,000
ACC Initial Operating Deficit Reserve		$ -	$ 70,000	$ -	$ 70,000
Lease-up Reserve		$ -	$ 180,000	$ -	$ 180,000
Operating Reserve		$ -	$ -	$ -	
ACC Reserve		$ -	$ -	$ -	
		$ -	$ -	$ -	$ -
Subtotal: Development Soft Costs		$ 825,540	$ 1,570,896	$ -	$ 2,396,436
Total Uses for Development (Part A)		$ 2,950,360	$ 6,173,174	$ 3,695,000	$ 12,818,534

Part B: Additional Uses	HUD Bdgt Line Item	PH Capital Assist.	Private Funds	Other Public Funds	Total
Community & Supp. Services (HOPE VI only)	1408	$ 259,843	$ -	$ -	$ 259,843
Management Improvements, PHA	1408	$ -	$ -	$ -	$ -
Administration	1410	$ 155,906	$ -	$ -	$ 155,906
Outside Legal Cost: PHA/Grantee	1430	$ -	$ -	$ -	$ -
Fees & Costs	1430	$ -	$ -	$ -	$ -
Site Acquisition	1440	$ -	$ -	$ -	$ -
Site Improvement	1450	$ 1,327,212	$ -	$ 817,771	$ 2,144,983
Non-Dwelling Structures	1470	$ -	$ -	$ -	$ -
Non-Dwelling Equipment	1475	$ -	$ -	$ -	$ -
Demolition (and associated remediation)	1485	$ 193,110	$ -	$ 118,110	$ 311,220
Relocation Expense	1495	$ 143,624	$ -	$ -	$ 143,624
Total Additional Uses (Part B)		$ 2,079,694	$	$ 935,881	$ 3,015,575
Total Uses this Phase (Parts A and B)		$ 5,030,054	$ 6,173,174	$ 4,630,881	$ 15,834,109

ATTACHMENT # 3

PERMANENT SOURCES AND USES

EXHIBIT F TO THE MIXED-FINANCE ACC AMENDMENT

SUMMARY BUDGET – PHASE I ONLY (PERMANENT FINANCING)

Grantee or Applicant HA:	Memphis Housing Authority
Development Name and Phase:	Cleaborn HOPE VI Revitalization: Heritage Landing Phase IV
PIC Development Number:	

Unit Type:	Rental Public Housing	Rental non-PH	HO w/PH Assistance	HO w/o PH Assistance	Total Units this Phase
Number of Units (entered on Unit Mix worksheet):	16	52	-	-	67

Part A: Development Sources	Loan/Grant/Equity	PH Capital Assist.	Private Funds	Other Public Funds	Total
MHA HOPE VI	Loan	$ 2,080,981	$ -	$ -	$ 2,080,981
MHA RHF	Loan	$ 960,246	$ -	$ -	$ 960,246
City CIP (MHA Loan)	Loan		$ -	$ 2,760,000	$ 2,760,000
City HOME (MHA Loan)	Loan		$ -	$ 935,000	$ 935,000
LIHTC Equity	Equity	$ -	$ 6,875,000	$ -	$ 6,875,000
		$ -	$ -	$ -	$ -
Total Development Sources (Part A)		$ 3,041,227	$ 6,875,000	$ 3,695,000	$ 13,611,227

Part B: Additional Sources		PH Capital Assist.	Private Funds	Other Public Funds	Total
MHA HOPE VI		$ 1,521,971	$ -		$ 1,521,971
MHA RHF		$ 557,723			$ 557,723
City HOME		$ -	$ -	$ 421,988	$ 421,988
City CIP		$ -	$ -	$ 395,783	$ 395,783
City CDBG		$ -	$ -	$ 118,110	$ 118,110
Total Additional Sources (Part B)		$ 2,079,694	$ -	$ 935,881	$ 3,015,575
Total Sources this Phase (Parts A and B)		$ 5,120,921	$ 6,875,000	$ 4,630,881	$ 16,626,802

Part A: Development Uses Development Construction Costs	HUD Bdgt Line Item	PH Capital Assist.	Private Funds	Other Public Funds	Total
Residential Construction	1460	$ 432,750	$ 2,739,556	$ 3,695,000	$ 6,867,306
Builder's General Requirements	1460	$ -	$ 516,058		$ 516,058
Builder's Overhead	1460	$ -	$ 172,019	$ -	$ 172,019
Builder's Profit	1460	$ -	$ 516,058	$ -	$ 516,058
Construction Contingency	1460	$ -	$ 492,719	$ -	$ 492,719
FF&E	1460	$ -	$ 75,000	$ -	$ 75,000
Site Improvement	1450	$ 1,782,937	$ -	$ -	$ 1,782,937
		$ -	$ -	$ -	
		$ -	$ -	$ -	$ -
Subtotal: Development Construction Costs		$ 2,215,687	$ 4,511,411	$ 3,695,000	$ 10,422,098

Development Soft Costs	HUD Bdgt Line Item	PH Capital Assist.	Private Funds	Other Public Funds	Total
Acquisition of Site(s)	1440	$ -	$ -	$ -	$ -
Accounting and Cost Certification	1430	$ -	$ 49,845	$ -	$ 49,845
Appraisal Expense	1430	$ 5,000	$ -	$ -	$ 5,000
Architect & Engineer Fees	1430	$ 444,000	$ -	$ -	$ 444,000
Environmental Assessment, Testing & Cleanup	1430	$ 25,000	$ -	$ -	$ 25,000
Financing & Application Expense, Lender	1430	$ -	$ -	$ -	$ -
Financing & Application Expense, Tax Credit	1430	$ 92,390	$ -	$ -	$ 92,390
Insurance, Construction Period	1430	$ -	$ -	$ -	$ -
Interest, Construction & Bridge Loan(s)	1430	$ -	$ -	$ -	$ -
Legal Expense, Developer & Lender(s)	1430	$ 58,000	$ 232,000	$ -	$ 290,000
Marketing & Lease-up Expense	1430	$ -	$ 115,000	$ -	$ 115,000
Permits, Construction & Utility Hookup	1430		$ 25,000	$ -	$ 25,000
PILOT & Taxes, Construction Period	1430	$ 131,150	$ -	$ -	$ 131,150
Survey	1430	$ 20,000	$ -	$ -	$ 20,000
Title & Recording Fees	1430	$ 50,000	$ -	$ -	$ 50,000
Taxes and Insurance Escrow	1430	$ -	$ 44,000	$ -	$ 44,000
Inspection Fee	1430		$ 17,000	$ -	$ 17,000
Developer Fee		$ -	$ 1,298,419	$ -	$ 1,298,419
Contingency	1430	$ -	$ 73,326	$ -	$ 73,326
ACC Initial Operating Deficit Reserve		$ -	$ 70,000	$ -	$ 70,000
Lease-up Reserve		$ -	$ 180,000	$ -	$ 180,000
Operating Reserve		$ -	$ 171,000	$ -	$ 171,000
ACC Reserve		$ -	$ 88,000	$ -	$ 88,000
		$ -	$ -	$ -	$ -
Subtotal: Development Soft Costs		$ 825,540	$ 2,363,590	$ -	$ 3,189,130
Total Uses for Development (Part A)		$ 3,041,227	$ 6,875,000	$ 3,695,000	$ 13,611,227

Part B: Additional Uses	HUD Bdgt Line Item	PH Capital Assist	Private Funds	Other Public Funds	Total
Community & Supp Services (HOPE VI only)	1408	$ 259,843	$ -	$ -	$ 259,843
Management Improvements, PHA	1408	$	$ -	$ -	$ -
Administration	1410	$ 155,906	$ -	$ -	$ 155,906
Outside Legal Cost: PHA/Grantee	1430	$ -	$ -		$ -
Fees & Costs	1430	$ -	$ -		$
Site Acquisition	1440				$ -
Site Improvement	1450	$ 1,327,212	$ -	$ 817,771	$ 2,144,983
Non-Dwelling Structures	1470	$ -	$ -		$
Non-Dwelling Equipment	1475	$ -	$ -		$ -
Demolition (and associated remediation)	1485	$ 193,110	$ -	$ 118,110	$ 311,220
Relocation Expense	1495	$ 143,624	$ -	$ -	$ 143,624
Total Additional Uses (Part B)		$ 2,079,694	$ -	$ 935,881	$ 3,015,575
Total Uses this Phase (Parts A and B)		$ 5,120,921	$ 6,875,000	$ 4,630,881	$ 16,626,802

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, D.C. 20410-5000

OFFICE OF PUBLIC AND INDIAN HOUSING

MAY 18 2011

Mr. Lawrence E. Hartley, PHM
Executive Director
Delaware County Housing Authority
1855 Constitution Avenue
P.O. Box 100
Woodlyn, PA 19094-0100

Subject: Approval of Mixed-Finance Proposal and Evidentiary Documents for Delaware County Fairgrounds Phase III
Development Number: PA023000010

Dear Mr. Hartley:

The Department of Housing and Urban Development (HUD) hereby approves the Mixed-Finance Proposal submitted by the Housing Authority of the County of Delaware (HACD) for the Fairgrounds Phase III project (Project). This submission, initially received on September 23, 2010, together with supplemental document submissions received through May 13, 2011, satisfies the requirements set forth in 24 CFR 941, subpart F. This approval is subject to the conditions contained in this letter.

On May 5, 2011, HUD granted a waiver of 24 CFR 941.610 subparts (a)(1)-(a)(7) for the Project. Subparts (a)(1)-(a)(7) of the regulation require HUD review and approval of certain legal documents related to mixed-finance development before a closing can occur and public housing funds can be released. With approval of the waiver for the Project, HACD no longer had to submit these documents to HUD for review and approval, with the exception of specific documents which were identified in HUD's May 5, 2011 letter. HACD has submitted these specific documents and they are hereby approved. HACD should keep all legal documents related to the Project, as identified in Exhibit E of the Mixed-Finance Amendment to the consolidated Annual Contributions Contract (Mixed-Finance Amendment), assembled in one location at the offices of HACD, and the documents should be made available to HUD for review upon request.

As HACD has satisfied all other requirements of 24 CFR 941, subpart F, HUD hereby authorizes HACD to have all evidentiary documents executed and recorded as necessary. Upon execution by the appropriate parties, the documents to be recorded must be filed for record in the following order approved by HUD:

1. Memorandum of Ground Lease from Housing Authority of the County of Delaware (HACD);
2. Deed of Partial Release by HUD;
3. Declaration of Restrictive Covenants by the Developer and HACD in favor of HUD.

Project Structure

Fairgrounds III is a proposed new construction development consisting of 48 senior rental units in a 3-story elevator building, the third phase of a 299-unit mixed-income, mixed-finance housing redevelopment of the former Fairgrounds Homes site, located in Chester Township, Pennsylvania. All 48 units will be Low Income Housing Tax Credit units (LIHTC), 38 of which will also be public housing units, and 10 of which will also be project-based Housing Choice Voucher (PBV) units. The designated elderly building will have units in the following bedroom configuration:

Fairgrounds Phase III					
Public Housing/Low-Income Tax Credit Units					
UNIT TYPE	**1 BR**	**2 BR**	**3 BR**	**4 BR**	**TOTAL**
Elevator	33	5	0	0	38
Total Public Housing Units	**33**	**5**	**0**	**0**	**38**

Fairgrounds Phase III					
Low-Income Tax Credit Units/PBV Units					
UNIT TYPE	**1 BR**	**2 BR**	**3 BR**	**4 BR**	**TOTAL**
Elevator	10	0	0	0	10
Total Public Housing Units	**10**	**0**	**0**	**0**	**10**

The Project will be constructed in accordance with Section 504 of the Rehabilitation Act of 1973, the Architectural Barriers Act (ABA), Title II of the Americans with Disabilities Act (ADA) and the Fair Housing Act to provide accessibility, adaptability, and visitability. Six units will be accessible for mobility impaired persons and two units will be accessible for hearing and sight impaired persons. Information on accessibility requirements can be found in PIH Notice 2010-26 at http://www.hud.gov/offices/pih/publications/notices/10/pih2010-26.pdf.

The Owner Entity for the Project is Fairgrounds Housing Partnership III, L.P., a Pennsylvania limited partnership (Partnership). The General Partner is Pennrose Felton Lofts LLC, a Pennsylvania limited liability company (General Partner). The Limited Partner will be Wachovia Affordable Housing Community Development Corporation, a North Carolina corporation (Investor Limited Partner). The Limited Partner will purchase a 99.99 percent interest in the limited partnership. The project will be developed by Pennrose Properties, LLC, a Pennsylvania limited liability company (Developer). HACD will act as the Management Agent of the Project following completion of construction. Harkins Builders, Inc. will act as the general contractor for the construction of the Project.

Construction Financing

As shown in Attachment D-1, the Project's construction budget totals $8,969,252. As shown in Part A, the Partnership will invest a total of $8,969,252 in the Project's construction. Sources of funds include $2,050,000 in Capital Fund Program (CFP) funds, $4,919,252 in LIHTC equity, a $2,000,000 construction bridge loan from Wells Fargo Bank, National

Association, an affiliate of the Investor Limited Partner. There are no Part B costs for this Project.

Permanent Financing

As shown in Attachment D-2, the Project's permanent budget totals $10,649,150. As shown under Part A, the Partnership will invest a total of $10,649,150 in the Project's construction. The sources of permanent financing include $2,050,000 in CFP funds and $8,599,150 in LIHTC equity. There are no Part B costs.

Total Development Cost Limits

The budget for the Project, which is included as Exhibit F in the Mixed-Finance Amendment (Attachment D-2), results in a Total Development Cost (TDC) that is within the TDC limits imposed on public housing development projects in the City of Philadelphia, as specified in HUD Notice PIH 2010-20. The project costs are at 28.76 percent of the TDC limit and 35.52 percent of the Housing Cost Cap limit (Attachment E).

Subsidy Layering Review

This Project has been reviewed using the subsidy layering guidelines published in the Federal Register on February 25, 1994. These guidelines state that a project receiving HUD assistance and LIHTCs is not subject to further review if its proposed syndication results in net proceeds of greater than 51 cents per dollar of tax credit allocation. If a project receives 51 cents or less, it is subject to review of its development costs, particularly builder's profit, development fees, and syndication costs as a percentage of total development costs.

We completed our analysis using $10,117,660, the amount of tax credits available to the Project subject to the tax credit compliance period, and $8,599,150, the amount of equity to be invested in the Project. Our review indicates that the Project will receive gross syndication proceeds of 85 cents per dollar of tax credit allocation ($8,599,150/$10,117,660) and net syndication proceeds of 85 cents per dollar of tax credit allocation to the Investor Limited Partner ($8,610,218/$10,116,648). To calculate the discounted net proceeds, we have taken the gross syndication proceeds and subtracted out bridge financing costs and tax credit fees relevant to complete the tax credit syndication, compounded equity installments received prior to the Project's Placed-in-Service Date and discounted installments received after this date (Attachments A-C). We then divided this number by the tax credits allocated to the Investor Limited Partner. The Project exceeds the threshold of 51 cents per dollar of tax credit allocation and represents a market rate of equity, given the current market for the purchase of tax credits. Therefore, no further review is required.

Nevertheless, my staff has conducted a detailed review of all development costs to determine that such costs are reasonable and to commit the least amount of public housing development funds necessary to make the proposed development financially feasible. Costs are within the Office of Public Housing's Cost Control and Safe Harbor Standards released by the Office of Public Housing Investments on April 9, 2003.

Financing Changes

In the future, HACD should report any changes in the Project's financing or use of funds to HUD. The Project is subject to additional subsidy layering review if:

- The Project's sources or uses of funds, as detailed in the attached project budget (Attachment D-2), changes by $250,000 or by 10 percent of the amount previously disclosed, whichever is lower;
- Previously disclosed financial interests of persons or entities changes by the lesser of $50,000 or 10 percent of such interest;
- The annual tax credit allocation changes by more than 10 percent; or,
- The schedule of payment of tax credit equity is delayed from that disclosed in Attachment B.

HACD should send a letter informing HUD of the nature of the financing changes along with HUD Form 2880 to the Office of Public Housing Investments within 30 days of the change. At that time, a determination will be made as to whether another subsidy layering review will be necessary.

Next Steps

You may proceed to execute six copies of the Mixed-Finance Amendment for the Project. All six copies must be executed by HACD and then presented to the HUD Philadelphia Hub Office, where Dennis G. Bellingtier, Director of Public Housing, will execute all copies on behalf of HUD. He will keep one copy for use by his office and return the other five copies to you. HACD should retain one copy and provide one copy to the Owner Entity. The other three copies should be returned to HUD with the final evidentiary binder, as noted below.
Mr. Bellingtier is also authorized to sign the Partial Release of the Declaration of Trust and the Non-Disturbance and Attornment Agreement.

The Mixed-Finance Amendment assures that 38 units are public housing units for all purposes, including the Operating Fund, and that the units will be eligible to receive operating subsidy. Consequently, the public housing units must be managed and operated in compliance with all public housing requirements.

After execution and recordation of the evidentiary documents, HACD should provide HUD with three compact discs (CDs), each of which must contain copies of all executed and recorded evidentiary materials for review and approval. The CDs should also include all final supplemental submissions provided HUD during the proposal review process. The final evidentiary CDs, including a hard copy original of the Mixed-Finance Amendment and Regulatory and Operating Agreement, should be received within 30 days of the date of closing with one copy sent to William Murphy at HUD Headquarters and two copies sent to Rosemary A. Hocking at the HUD Philadelphia Hub Office. HACD must include on each CD:

- the required opinions of counsel, together with a certification attesting that no changes to the evidentiary materials have been made since the documents were last submitted and approved by HUD, or if changes have been made, a list of all changes;

- a final title insurance policy that reflects the recordation of all liens, mortgages and encumbrances against the property, in the order approved by HUD;
- the executed Mixed-Finance ACC Amendment; and,
- the executed Regulatory and Operating Agreement.

We look forward to HACD's successful completion of the Fairgrounds Phase III project. If you have any questions, please contact Rosemary A. Hocking, Grant Manager, at (215) 861-7594.

Sincerely,

Susan A. Wilson

Susan A. Wilson
Director, Office of Urban Revitalization
Office of Public Housing Investments

Enclosures

cc: Dennis G. Bellingtier, HUD Philadelphia Hub Office

EXHIBIT F

SUMMARY BUDGET – CURRENT PHASE ONLY (CONSTRUCTION PERIOD)

Grantee or Applicant HA: Housing Authority of the County of Delaware

Development Name and Phase: Delaware County Fairgrounds Phase III

Unit Type:	Rental Public Housing	Rental non-PH	HO w/PH Assistance	HO w/o PH Assistance	Total Units this Phase
Number of Units (entered on Unit Mix worksheet):	38	10	-	-	48

Part A: Development Sources	Loan/Grant/Equity	PH Capital Assist.	Private Funds	Other Public Funds	Total
Public Housing Capital Assistance Loan		$ 2,050,000	$ -	$ -	$ 2,050,000
Public Housing Capital Assistance Grant	Grant	$ -	$ -	$ -	$ -
Low Income Housing Tax Credit Equity	Equity	$ -	$ 4,919,252	$ -	$ 4,919,252
Other Construciton Loan	Loan	$ -	$ 2,000,000	$ -	$ 2,000,000
Other: Insert Label		$ -	$ -	$ -	$ -
Other: Insert Label		$ -	$ -	$ -	$ -
Other: Insert Label		$ -	$ -	$ -	$ -
Other Insert Label		$ -	$ -	$ -	$ -
Other. Insert Label		$ -	$ -	$ -	$ -
Other Insert Label		$ -	$ -	$ -	$ -
Other: Insert Label		$ -	$ -	$ -	$ -
Total Development Sources (Part A)		$ 2,050,000	$ 6,919,252	$ -	$ 8,969,252

Part B: Additional Sources		PH Capital Assist.	Private Funds	Other Public Funds	Total
Public Housing Capital Assistance:		$ -	$ -	$ -	$ -
Other: Insert Label		$ -	$ -	$ -	$ -
Other: Insert Label		$ -	$ -	$ -	$ -
Total Additional Sources (Part B)		$ -	$ -	$ -	$ -
Total Sources this Phase (Parts A and B)		$ 2,050,000	$ 6,919,252	$ -	$ 8,969,252

Part A: Development Uses

Development Construction Costs	HUD Bdgt Line Item	PH Capital Assist.	Private Funds	Other Public Funds	Total
Residential Construction	1460	$ 1,582,300	$ 3,712,222	$ -	$ 5,294,522
Residential Rehabilitation	1460	$ -	$ -	$ -	$ -
Builder's General Requirements	1460	$ -	$ 339,623	$ -	$ 339,623
Builder's Overhead	1460	$ -	$ 119,999	$ -	$ 119,999
Builder's Profit	1460	$ -	$ 318,700	$ -	$ 318,700
Site Improvement	1450	$ -	$ 659,666	$ -	$ 659,666
Other Hard Construction Contingency	1460	$ -	$ 200,623	$ -	$ 200,623
Subtotal: Development Construction Costs		$ 1,582,300	$ 5,350,833	$ -	$ 6,933,133

Development Soft Costs	HUD Bdgt Line Item	PH Capital Assist	Private Funds	Other Public Funds	Total
Transfer Tax	1430	$ -	$ 4,000	$ -	$ 4,000
Accounting and Cost Certification	1430	$ -	$ 30,000	$ -	$ 30,000
Appraisal Expense	1430	$ -	$ -	$ -	$ -
Architect & Engineer Fees	1430	$ 250,000	$ 298,257	$ -	$ 548,257
Environmental Assessment, Testing & Cleanup	1430	$ -	$ 5,000	$ -	$ 5,000
Financing & Application Exp , Lender	1430	$ -	$ 110,000	$ -	$ 110,000
Financing & Application Expense, Tax Credit	1430	$ 46,000	$ 112,606	$ -	$ 158,606
Insurance, Construction Period	1430	$ -	$ 18,635	$ -	$ 18,635
Interest, Construction & Bridge Loan(s)	1430	$ -	$ -	$ -	$ -
Legal Expense, Developer & Lender(s)	1430	$ -	$ 80,000	$ -	$ 80,000
Marketing & Lease-up Expense	1430	$ 1,700	$ 60 900	$ -	$ 62,600
Permits, Construction & Utility Hookup	1430	$ 170,000	$ 170,375	$ -	$ 340,375
PILOT & Taxes, Construction Period	1430	$ -	$ 10,000	$ -	$ 10,000
Survey	1430	$ -	$ 7,500	$ -	$ 7,500
Title & Recording Fees	1430	$ -	$ 55,000	$ -	$ 55,000
Initial Operating Deficit (Construction Period)	1430	$ -	$ -	$ -	$ -
Other Contingency	1430	$ -	$ -	$ -	$ -
Other: Soil Testing and Inspection		$ -	$ 30,000	$ -	$ 30,000
Other Furnishings		$ -	$ 48,000	$ -	$ 48,000
Other LEED\Energy Star		$ -	$ 96,116	$ -	$ 96,116
Other Tax & Insurance Escrows		$ -	$ 32,030	$ -	$ 32,030
Other Investor Asset Management Fee		$ -	$ -	$ -	$ -
Other Initial Operating Period Reserve		$ -	$ -		$ -
Other: Operating Subsidy Reserve		$ -	$ -		$ -
Other: Operating Deficit Reserve		$ -	$ -		$ -
		$ -	$ -		$ -
Other Reserve Deposit, Operating		$ -	$ -	$ -	$ -
Other Developer Fee		$ -	$ 400,000	$ -	$ 400,000
Subtotal: Development Soft Costs		$ 467,700	$ 1,568,419	$ -	$ 2,036,119
Total Uses for Development (Part A)		$ 2,050,000	$ 6,919,252	$ -	$ 8,969,252

Part B: Additional Uses	HUD Bdgt Line Item	PH Capital Assist	Private Funds	Other Public Funds	Total
Community & Supportive Services (HOPE VI only)	1408	$ -	$ -	$ -	$ -
Management Improvements, PHA	1408	$ -	$ -	$ -	$ -
Administration, PHA	1410	$ -	$ -	$ -	$ -
Fees & Costs	1430	$ -	$ -	$ -	$ -
Site Acquisition	1440	$ -	$ -	$ -	$ -
Site Improvement	1450	$ -	$ -	$ -	$ -
Non-Dwelling Structures	1470	$ -	$ -	$ -	$ -
Non-Dwelling Equipment	1475	$ -	$ -	$ -	$ -
Demolition (and associated remediation)	1485	$ -	$ -	$ -	$ -
Relocation Expense	1495	$ -	$ -	$ -	$ -
Total Additional Uses (Part B)		$ -	$ -	$ -	$ -
Total Uses this Phase (Parts A and B)		$ 2,050,000	$ 6,919,252	$ -	$ 8,969,252

EXHIBIT F

SUMMARY BUDGET – PHASE I ONLY (PERMANENT FINANCING)

Grantee or Applicant HA: Housing Authority of the County of Delaware

Development Name and Phase: Delaware County Fairgrounds Phase III

Unit Type:	Rental Public Housing	Rental non-PH	HO w/PH Assistance	HO w/o PH Assistance	Total Units this Phase
Number of Units (entered on Unit Mix worksheet)	38	10	-	-	48

Part A: Development Sources	Loan/Grant/Equity	PH Capital Assist.	Private Funds	Other Public Funds	Total
Public Housing Capital Assistance Loan		$ 2,050,000	$ -	$ -	$ 2,050,000
Public Housing Capital Assistance Grant	Grant	$ -	$ -	$ -	$ -
Low Income Housing Tax Credit Equity	Equity	$ -	$ 8,599,150	$ -	$ 8,599,150
Other: Insert Label	1st Mortgage	$ -	$ -	$ -	$ -
Other: Insert Label		$ -	$ -	$ -	$ -
Other: Insert Label		$ -	$ -	$ -	$ -
Other: Insert Label		$ -	$ -	$ -	$ -
Other: Insert Label		$ -	$ -	$ -	$ -
Other: Insert Label		$ -	$ -	$ -	$ -
Other: Insert Label		$ -	$ -	$ -	$ -
Other: Insert Label		$ -	$ -	$ -	$ -
Total Development Sources (Part A)		$ 2,050,000	$ 8,599,150	$ -	$ 10,649,150

Part B: Additional Sources		PH Capital Assist	Private Funds	Other Public Funds	Total
Public Housing Capital Assistance		$ -	$ -	$ -	$ -
Other: Insert Label		$ -	$ -	$ -	$ -
Other: Insert Label		$ -	$ -	$ -	$ -
Total Additional Sources (Part B)		$ -	$ -	$ -	$ -
Total Sources this Phase (Parts A and B)		$ 2,050,000	$ 8,599,150	$ -	$ 10,649,150

Part A: Development Uses Development Construction Costs	HUD Bdgt Line Item	PH Capital Assist.	Private Funds	Other Public Funds	Total
Residential Construction	1460	$ 1,582,300	$ 3,712,222	$ -	$ 5,294,522
Residential Rehabilitation	1460	$ -	$ -	$ -	$ -
Builder's General Requirements	1460	$ -	$ 339,623	$ -	$ 339,623
Builder's Overhead	1460	$ -	$ 119,999	$ -	$ 119,999
Builder's Profit	1460	$ -	$ 318,700	$ -	$ 318,700
Site Improvement	1450	$ -	$ 659,666	$ -	$ 659,666
Construction Contingency	1460	$ -	$ 386,471	$ -	$ 386,471
Subtotal Development Construction Costs		$ 1,582,300	$ 5,536,681	$ -	$ 7,118,981

Development Soft Costs	HUD Bdgt Line Item	PH Capital Assist	Private Funds	Other Public Funds	Total
Transfer Tax	1430	$ -	$ 4,000	$ -	$ 4,000
Accounting and Cost Certification	1430	$ -	$ 30,000	$ -	$ 30,000
Appraisal Expense	1430	$ -	$ -	$ -	$ -
Architect & Engineer Fees	1430	$ 250,000	$ 298,257	$ -	$ 548,257
Environmental Assessment, Testing & Cleanup	1430	$ -	$ 5,000	$ -	$ 5,000
Financing & Application Expense, Lender	1430	$ -	$ 110,000	$ -	$ 110,000
Financing & Application Expense, Tax Credit	1430	$ 46,000	$ 112,606	$ -	$ 158,606
Insurance, Construction Period	1430	$ -	$ 18,635	$ -	$ 18,635
Interest, Construction & Bridge Loan(s)	1430	$ -	$ -	$ -	$ -
Legal Expense, Developer & Lender(s)	1430	$ -	$ 80,000	$ -	$ 80,000
Marketing & Lease-up Expense	1430	$ 1,700	$ 60,900	$ -	$ 62,600
Permits, Construction & Utility Hookup	1430	$ 170,000	$ 170,375	$ -	$ 340,375
PILOT & Taxes, Construction Period	1430	$ -	$ 10,000	$ -	$ 10,000
Survey	1430	$ -	$ 7,500	$ -	$ 7,500
Title & Recording Fees	1430	$ -	$ 55,000	$ -	$ 55,000
Initial Operating Deficit (Construction Period)	1430	$ -	$ -	$ -	$ -
Other: Contingency	1430	$ -	$ -	$ -	$ -
Other: Soil Testing and Inspection		$ -	$ 30,000	$ -	$ 30,000
Other: Furnishings		$ -	$ 48,000	$ -	$ 48,000
Other: LEED\Energy Star		$ -	$ 96,116	$ -	$ 96,116
Other: Tax & Insurance Escrows		$ -	$ 32,030	$ -	$ 32,030
Other: Investor Asset Management Fee		$ -	$ 112,500	$ -	$ 112,500
Other: Initial Operating Period Reserve		$ -	$ 151,885		$ 151,885
Other: Operating Subsidy Reserve		$ -	$ 80,784		$ 80,784
Other: Operating Deficit Reserve		$ -	$ 484,881		$ 484,881
		$ -			$ -
		$ -		$ -	$ -
Other: Developer Fee		$ -	$ 1,064,000	$ -	$ 1,064,000
Subtotal: Development Soft Costs		$ 467,700	$ 3,062,469	$ -	$ 3,530,169
Total Uses for Development (Part A)		$ 2,050,000	$ 8,599,150	$ -	$ 10,649,150

Part B: Additional Uses	HUD Bdgt Line Item	PH Capital Assist	Private Funds	Other Public Funds	Total
Community & Supp. Services (HOPE VI only)	1408	$ -	$ -	$ -	$ -
Management Improvements PHA	1408	$ -	$ -	$ -	$ -
Administration, PHA	1410	$ -	$ -	$ -	$ -
Fees & Costs	1430	$ -	$ -	$ -	$ -
Site Acquisition	1440	$ -	$ -	$ -	$ -
Site Improvement	1450	$ -	$ -	$ -	$ -
Non-Dwelling Structures	1470	$ -	$ -	$ -	$ -
Non-Dwelling Equipment	1475	$ -	$ -	$ -	$ -
Demolition (and associated remediation)	1485	$ -	$ -	$ -	$ -
Relocation Expense	1495	$ -	$ -	$ -	$ -
Total Additional Uses (Part B)		$ -	$ -	$ -	$ -
Total Uses this Phase (Parts A and B)		$ 2,050,000	$ 8,599,150	$ -	$ 10,649,150

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, D.C. 20410-5000

OFFICE OF THE ASSISTANT SECRETARY
FOR PUBLIC AND INDIAN HOUSING

JUN 12 2014

Cecil R. House
General Manager
New York City Housing Authority
250 Broadway
New York, NY 10007

Subject: Approval of Development Proposal
Prospect Plaza North
Project Number: NY00500240

Dear Mr. House:

The Department of Housing and Urban Development (HUD) hereby approves the Development Proposal submitted by the New York City Housing Authority (NYCHA) for the Prospect Plaza North phase (also known as Prospect Plaza Site I) of your HOPE VI project. This submission satisfies the requirements of 24 CFR 905.606 (Proposal). In addition, NYCHA has submitted evidentiary documents as required by HUD. HUD must approve these materials prior to NYCHA executing the Mixed-Finance Amendment to the Annual Contributions Contract and prior to the release of any public housing funds for implementation of the Proposal.

Project Description

As shown in Exhibit C of the Mixed-Finance Amendment for Prospect Plaza North, redevelopment includes construction of 110 new rental units, of which 38 will be public housing/Low-Income Tax Credit (LIHTC) units, and 71 will be LIHTC-only units and one additional superintendent's unit (Attachment 1).

The Project will be constructed in accordance with Section 504 of the Rehabilitation Act of 1973 or the 2010 ADA Standards for Accessible Design with exceptions as noted at FR-5784-N-01 Nondiscrimination on the Basis of Disability in Federally Assisted Programs and Activities: http://www.gpo.gov/fdsys/pkg/FR-2014-05-23/pdf/2014-11844.pdf, the Architectural Barriers Act (ABA), Title II of the Americans with Disabilities Act (ADA), the Fair Housing Act and the Authority's obligation under its HOPE VI application to provide accessibility, and adaptability. A total of 6 units or 5 percent will be accessible for mobility impaired persons and 3 units or 2 percent will be accessible for hearing and sight impaired persons. Accessibility will be spread across all units in this phase. For additional information regarding accessibility, please refer to PIH Notice 2010-26, which can be found at: at:
http://www.hud.gov/offices/pih/publications/notices/10/pih2010-26.pdf

As described in Exhibit A of the Mixed-Finance Amendment, the project will be developed by PPD Partners, LLC whose members are: Blue Sea Development Company, LLC, Pennrose Properties, LLC, Duvernay + Brooks, LLC, Rosenberg Housing Group, Inc. and HP PPN HDFC The project will be owned by Oceanhill, LLC, whose Managing Member is PPD Partners, LLC. The Equity Investor is Red Stone – Fund 31 Limited Partnership.

Project Financing

As shown in Exhibit F of the Mixed-Finance Amendment, the total construction budget for the project is $46,700.072 (Attachment 2) and the total permanent budget is $51,194,252 (Attachment 3).

Total Development Cost Limits

The development budget results in a Total Development Cost (TDC) that is within the TDC limits imposed on public housing development projects in New York City, as specified in HUD Notice 2011-38. The project costs are at 90.37% of the TDC limit and 99.99% of the Housing Cost Cap (HCC) limit (Attachment 4).

Identity of Interest Approval

Pursuant to 24 CFR 905.604(i), if the owner entity or partner of a mixed-finance project wants to serve as the general contractor for the project, it may award itself the construction if the housing authority submits a written justification to HUD that includes an independent third-party cost estimate that demonstrates that the general contractor's costs are less than or equal to the independent third party cost estimate.

Blue Sea Development Co. proposes to use its affiliate, Blue Sea Construction Co., as the general contractor for the Prospect Plaza North development. NYCHA has submitted an independent third party cost estimate prepared by NASCO Construction Services Inc. for the work to be performed by Blue Seas Construction Co. The estimate prepared by NASCO totaled $38,227,921.00. As indicated on the Exhibit F, permanent budget, the construction costs for Prospect Plaza North total $33,678,037.

Therefore, pursuant to 24 CFR 905.604(i), Blue Seas Construction Co. is approved as the general contractor for Prospect Plaza North. In addition, NYCHA must still comply with any applicable state or local regulations regarding procurement or identity of interest issues.

Next Steps

Upon completion of HUD review and approval, evidentiary documents may be executed and recorded as required. Please note that any changes to the Proposal must be reviewed and approved as well. We look forward to working with you toward final closing of this transaction. If you have any questions, please call Roma Campanile at (202) 402-4880.

Sincerely,

Dennis P Keck for SAW

Susan A. Wilson
Director, Office of Urban Revitalization
Office of Public Housing Investments

cc: Luigi D'Ancona, HUD New York City Field Office

ATTACHMENT 1

EXHIBIT C

Public Housing/LIHTC Units					
Unit Type	**1BR**	**2BR**	**3BR**	**4BR**	**Total**
Detached/Semi-Detached					
Elevator	5	18	2		25
Row House					
Walk-up	1	12	-	-	13
Total Public Housing Units	**6**	**30**	**2**	**-**	**38**

Low Income Housing Tax Credit Units (LIHTC)					
Unit Type	**1BR**	**2BR**	**3BR**	**4BR**	**Total**
Detached/Semi-Detached					
Elevator	12	37	4		53
Row House					
Walk-up	-	18	-	-	18
Total LIHTC Units	**12**	**55**	**4**	**-**	**71**

Market Rate Units					
Unit Type	**1BR**	**2BR**	**3BR**	**4BR**	**Total**
Detached/Semi-Detached					
Elevator					
Row House					
Walk-up					
Total Market Rate Units	**0**	**0**	**0**	**0**	**0**

ATTACHMENT C

CONSTRUCTION PERIOD SOURCES AND USES
EXHIBIT F TO THE MIXED-FINANCE ACC AMENDMENT

SUMMARY BUDGET – CURRENT PHASE ONLY (CONSTRUCTION PERIOD)

Applicant PHA/Grantee:	NYCHA
Grant Name, if applicable:	HOPE VI Grant No.
Phase/Project Name:	Prospect Plaza – Phase 1 – 110 Units
PIC Development Number:	TBD

Unit Type:	Rental Public Housing	Rental non PH	HO w/PH Assistance	HO w/o PH Assistance	Total Units this Phase
Number of Units (entered on Unit Mix worksheet)	38	72	-	-	110

Part A: Development Sources	Loan/Grant/Equity	HOPE VI Funds	RHF Funds	Private Funds	Section 18 Dispo	Other Public Funds	Total
Public Housing Capital Assistance Loan / H6	Loan	$ 7,362,500		$		$ -	$ 7,362,500
Public Housing Capital Assistance Loan / RHF	Loan		$2,189,892	$		$ -	$ 2,189,892
Low Income Housing Tax Credit Equity	Equity	$ -		$ 2,062,524		$ -	$ 2,062,524
First Mortgage / TE Bonds - Lender: HDC	Loan	$ -		$ 22,490,000		$	$ 22,490,000
Construction Loan		$ -		$		$	$
Other: General Partner Capital		$ -		$		$	$ -
Second Mortgage Lender: HDC	Loan	$ -				$ 4,680,000	$ 4,680,000
Third Mortgage Lender: HPD	Loan	$ -		$		$ 1,635,325	$ 1,635,325
NYSERDA		$ -		$ -		$ -	$ -
Deferred Developer's Fee		$ -		$ -		$ -	$
Deferred Reserves during construction		$ -	$ -	$ -	$	$ -	$
Total Development Sources (Part A)		$ 7,362,500	$ 2,189,892	$ 24,552,524	$	$ 6,315,325	$ 40,420,241

Part B: Additional Sources		HOPE VI Funds	RHF Funds	Private Funds	Section 18 Dispo	Other Public Funds	Total
Public Housing Capital Assistance: HOPE VI		$ 1,103,324		$ -		$ -	$ 1,103,324
Other: Section 18 Dispo Funds		$ -		$	$ 5,176,506	$	$ 5,176,506
Other: Insert Label		$ -		$		$	$ -
Total Additional Sources (Part B)		$ 1,103,324	$	$	$ 5,176,506	$	$ 6,279,831
Total Sources this Phase (Parts A and B)		$ 8,465,824	$ 2,189,892	$ 24,552,524	$ 5,176,506	$ 6,315,325	$ 46,700,072

Part A: Development Uses Development Construction Costs	HUD Bdgt Line Item	HOPE VI Funds	RHF Funds	Private Funds	Section 18 Dispo	Other Public Funds	Total
Residential Construction	1460	$ 3,776,788	$ 2,189,892	$ 17,920,314		$ 6,315,325	$ 30,202,319
Residential Rehabilitation	1460	$ -		$ -		$ -	$ -
Other Residential Construction: Insert Label	1460	$ -		$ 74,000		$ -	$ 74,000
Builder's General Requirements	1460	$ -		$ 1,798,002		$ -	$ 1,798,002
Builder's Overhead	1460	$ -		$ -		$	$ -
Builder's Profit	1460	$ -		$ -		$ -	$ -
Other BLI 1460: HC Contingency	1460	$ -		$ 1,603,716		$	$ 1,603,716
Other BLI 1460: Insert Label	1460	$ -		$ -		$ -	$ -
Site Improvement	1450	$ -		$ -		$	$ -
Extraordinary Site Costs	1450	$ -		$ -		$ -	$ -
Other Site Improvement: Insert Label	1450	$ -		$ -		$ -	$ -
Other Site Improvement: Insert Label	1450	$ -		$ -		$ -	$ -
Non-Residential Construction: Community Ctr	1470	$ -		$ -		$ -	$ -
Other Non-Residential Const.: Insert Label:	1470	$ -		$ -		$ -	$ -
Other Non-Residential Const.: Insert Label:	1470	$ -		$ -		$ -	$ -
Subtotal: Development Construction Costs		$ 3,776,788	$ 2,189,892	$ 21,396,031	$ -	$ 6,315,325	$ 33,678,036

Development Soft Costs	HUD Bdgt Line Item	HOPE VI Funds	RHF Funds	Private Funds	Section 18 Dispo	Other Public Funds	Total
Acquisition of Site(s)	1440	$ -		$ -		$ -	$ -
Other Acquisition Cost: Insert Label	1440	$ -		$ -		$ -	$ -
Other Acquisition Cost: Insert Label	1440	$ -		$ -		$ -	$ -
Accounting and Cost Certification	1430	$ 80,000		$ -		$ -	$ 80,000
Appraisal Expense	1430	$ 15,000		$ -		$ -	$ 15,000
Architect & Engineer Fees	1430	$ 752,850		$ -		$ -	$ 752,850
Environmental Assessment, Testing & Cleanup	1430	$ 68,475		$ -		$ -	$ 68,475
Financing & Application Expense, Lender	1430	$ 522,000		$ 989,912		$	$ 1,511,912
Financing & Application Expense, Tax Credit	1430	$ 30,000		$ 58,888		$	$ 88,888
Insurance, Construction Period	1430	$ 550,000		$ -		$ -	$ 550,000
Interest, Construction & Bridge Loan(s)	1430	$ 768,387		$ 768,389		$ -	$ 1,536,776
Legal Expense, Developer & Lender(s)	1430	$ 155,000		$ 155,000		$ -	$ 310,000
Marketing & Lease-up Expense	1430	$ 183,000		$ -		$	$ 183,000
Permits, Construction & Utility Hookup	1430	$ 258,000		$ -		$ -	$ 258,000
PILOT & Taxes, Construction Period	1430	$ 3,000		$ 6,150		$ -	$ 9,150
Survey	1430	$ 20,000		$ -		$ -	$ 20,000
Title & Recording Fees	1430	$ 180,000		$ -		$ -	$ 180,000
Operating Deficit (Construction Period)	1430	$ -		$ -		$	$ -
Program Manager	1430	$ -		$ -		$ -	$
Other Fees & Costs: Furnishings and market study	1430	$ -		$ -		$ -	$
Other Fees & Costs: Lender 3rd Party Costs	1430	$ -		$ 27,800		$ -	$ 27,800
Other Fees & Costs: Admin Fee to NYCHA	1430	$ -		$ 143,286		$	$ 143,286
Other Fees & Costs: Insert Label	1430	$ -		$ 19,200		$	$ 19,200
Other Fees & Costs: Insert Label	1430	$		$ -		$ -	$ -
Developer Fee							$
Other Developer Fee:: NYCHA Fee (1% of total)		$ -		$ 45,396		$	$ 45,396
Other Developer Fee:: Insert Label		$ -		$ -		$	$ -
Contingency	1430	$ -		$ 287,717		$	$ 287,717
Reserve Deposit, Operating		$ -		$ 383,756		$ -	$ 383,756
Operating subsidy reserve		$ -		$ 171,000		$ -	$ 171,000
Lease-up Reserve		$ -		$ -		$ -	$ -
Supportive service reserve		$ -		$ 100,000		$	$ 100,000
Other Reserves: Oper, Debt & Tax reserves		$ -		$ -		$ -	$
Other Reserves: ACC units reserve		$ -		$ -		$	$
Subtotal: Development Soft Costs		$ 3,585,712	$	$ 3,156,493	$ -	$	$ 6,742,205
Total Uses for Development (Part A)		$ 7,362,500	$ 2,189,892	$ 24,552,524	$	$ 6,315,325	$ 40,420,241

Part B: Additional Uses	HUD Bdgt Line Item	HOPE VI Funds	RHF Funds	Private Funds	Section 18 Dispo	Other Public Funds	Total
Community & Supp. Services (HOPE VI only)	1408	$ 257,483		$ -		$ -	$ 257,483
Management Improvements PHA	1408	$ -		$ -		$	$ -
Administration	1410	$ -		$ -			$
Outside Legal Cost PHA/Grantee	1430	$ -		$ -		$	$ -
Fees & Costs	1430	$ -		$ -		$	$
Site Acquisition	1440	$		$ -		$	$
Site Improvement	1450	$		$ -		$	$ -
Non-Dwelling Structures	1470	$ -		$ -		$	$ -
Non-Dwelling Equipment	1475	$ -		$ -		$ -	$ -
Demolition (and associated remediation)	1485	$ 845,841		$ -	$ 5,176,506	$ -	$ 6,022,347
Relocation Expense	1495	$		$ -		$	$
Total Additional Uses (Part B)		$ 1,103,324	$	$ -	$ 5,176,506	$	$ 6,279,831
Total Uses this Phase (Parts A and B)		$ 8,465,824	$ 2,189,892	$ 24,552,524	$ 5,176,506	$ 6,315,325	$ 46,700,072

ATTACHMENT 3

PERMANENT SOURCES AND USES

EXHIBIT F TO THE MIXED-FINANCE ACC AMENDMENT

SUMMARY BUDGET – PHASE I ONLY (PERMANENT FINANCING)

Grantee or Applicant HA: NYCHA
Development Name and Phase: HOPE VI Grant No.: Prospect Plaza – Phase 1 -- 110 Units
PIC Development Number: TBD

Unit Type:	Rental Public Housing	Rental non PH	HO w/PH Assistance	HO w/o PH Assistance	Total Units this Phase
Number of Units (entered on Unit Mix worksheet)	38	72	-	-	110

Part A: Development Sources	Loan/Grant/Equity	HOPE VI Funds	RHF Funds	Private Funds	Section 18 Dispo	Other Public Funds	Total
Public Housing Capital Assistance Loan / H6	Loan	$7,362 500		$ -		$ -	$ 7,362,500
Public Housing Capital Assistance Loan / RHF	Loan		$2 189 892	$ -		$ -	$ 2,189,892
Low Income Housing Tax Credit Equity	Equity	$ -		$ 20,521,970		$ -	$ 20,821,970
First Mortgage / TE Bonds - Lender HDC		$		$ 2,590,000		$ -	$ 2,590,000
Other: GP Contribution		$		$ -		$ -	$
Other: Insert Label		$		$ -		$ -	$
Second Mortgage - Lender HDC		$				$ 4,680,000	$ 4,680,000
Third Mortgage - Lender: HPD		$		$ -		$ 6,600,000	$ 6,600,000
NYSERDA		$		$ -		$ 132,000	$ 132,000
Deferred Developer's Fee		$		$ 738,059		$ -	$ 738,059
Other: City Funds		$ -	$ -	$ -	$ -	$0	$ (0)
Total Development Sources (Part A)		$ 7,362,500	$ 2 189,892	$ 23,950,029	$ -	$ 11,412,000	$ 44,914,421

Part B: Additional Sources		HOPE VI Funds	RHF Funds	Private Funds	Section 18 Dispo	Other Public Funds	Total
Public Housing Capital Assistance HOPE VI		$ 1,103,324		$ -		$ -	$ 1,103 324
Other: Section 18 Dispo Funds		$ -		$ -	$ 5,176,506	$ -	$ 5,176,506
Other: Insert Label		$ -	$ -	$ -	$ -	$ -	$ -
Total Additional Sources (Part B)		$ 1,103,324	$ -	$ -	$ 5,176,506	$ -	$ 6,279,831
Total Sources this Phase (Parts A and B)		$ 8,465,824	$ 2,189 892	$ 23,950,029	$ 5,176,506	$ 11,412 000	$ 51,194,252

Part A: Development Uses Development Construction Costs	HUD Bdgt Line Item	HOPE VI Funds	RHF Funds	Private Funds	Section 18 Dispo	Other Public Funds	Total
Residential Construction	1460	$ 3,632,930	$ 2 189,892	$ 12,967,497		$ 11,412,000	$ 30,202,319
Residential Rehabilitation	1460	$ -		$ -		$ -	$
Other Residential Construction Parking	1460	$		$ 74,000		$ -	$ 74,000
Builder's General Requirements	1460	$ -		$ 1,798,002		$ -	$ 1,798,002
Builder's Overhead	1460	$ -		$ -		$ -	$ -
Builder's Profit	1460	$		$ -		$ -	$
Other BLI 1460 HC Contingency	1460	$ -		$ 1,603,716		$ -	$ 1,603,718
Other BLI 1460 Insert Label	1460	$ -		$ -		$ -	$ -
Site Improvement	1450	$ -		$ -		$ -	$ -
Extraordinary Site Costs	1450	$ -		$ -		$ -	$
Other Site Improvement. Insert Label	1450	$ -		$ -		$ -	$ -
Other Site Improvement: Insert Label	1450	$ -		$ -		$ -	$
Non-Residential Construction. Community Ctr	1470	$ -		$		$ -	$ -
Other Non-Residential Const.. Insert Label	1470	$ -		$ -		$ -	$ -
Other Non-Residential Const. Insert Label	1470	$ -	$ -	$ -	$ -	$ -	$
Subtotal: Development Construction Costs		$ 3,632,930	$ 2,189 892	$ 16,443,215	$	$ 11,412,000	$ 33,678,037

Development Soft Costs	HUD Bdgt Line Item	HOPE VI Funds	RHF Funds	Private Funds	Section 18 Dispo	Other Public Funds	Total
Acquisition of Site(s)	1440	$ -		$ -		$ -	$ -
Other Acquisition Cost. Insert Label	1440	$ -		$ -		$ -	$ -
Other Acquisition Cost: Insert Label	1440	$ -		$ -		$ -	$ -
Accounting and Cost Certification	1430	$ 80,000		$ -		$ -	$ 80,000
Appraisal Expense	1430	$ 15,000		$ -		$ -	$ 15,000
Architect & Engineer Fees	1430	$ 752,850		$ -		$ -	$ 752,850
Environmental Assessment. Testing & Cleanup	1430	$ 68,475		$ -		$ -	$ 68,475
Financing & Application Expense, Lender	1430	$ 522,000		$ 989,912		$ -	$ 1,511,912
Financing & Application Expense, Tax Credit	1430	$ 30,000		$ 58,888		$ -	$ 88,888
Insurance Construction Period	1430	$ 550,000		$ -		$ -	$ 550,000
Interest, Construction & Bridge Loan(s)	1430	$ 768,387		$ 768,389		$ -	$ 1,536,776
Legal Expense, Developer & Lender(s)	1430	$ 155,000		$ 155,000		$ -	$ 310,000
Marketing & Lease-up Expense	1430	$ 183,000		$ -		$ -	$ 183,000
Permits, Construction & Utility Hookup	1430	$ 258,000		$ -		$ -	$ 258,000
PILOT & Taxes, Construction Period	1430	$ 3,000		$ 6,150		$ -	$ 9,150
Survey	1430	$ 20,000		$ -		$	$ 20,000
Title & Recording Fees	1430	$ 180,000		$ -		$ -	$ 180,000
Operating Deficit (Construction Period)	1430	$ -		$ -		$ -	$ -
Program Manager	1430	$ -		$ -		$ -	$ -
Other Fees & Costs: Furnishings & market study	1430	$		$ -		$ -	$ -
Other Fees & Costs Lender 3rd Party Costs	1430	$ -		$ 27,800		$ -	$ 27,800
Other Fees & Costs: Admin Fee to NYCHA	1430	$ -		$ 143,286		$ -	$ 143,286
Other Fees & Costs Construction Cost Evaluation	1430	$		$ 19,200		$ -	$ 19 200
Other Fees & Costs Insert Label	1430	$ -		$ -		$	$ -
Developer Fee		$ -		$ 4,494,180		$ -	$ 4 494,180
Other Developer Fee:. NYCHA Fee (1% of total)		$ -		$ 45,396		$	$ 45,396
Other Developer Fee: Insert Label		$		$ -		$	$
Contingency	1430	$ 143 858		$ 143,859		$	$ 287 717
Reserve Deposit, Operating		$		$ 383,756		$ -	$ 383,756
Operating subsidy reserve		$ -		$ 171,000		$	$ 171,000
Lease-up Reserve		$		$ -		$	$
Supportive service reserve		$		$ 100,000		$	$ 100,000
Other Reserves Oper, Debt & Tax reserves		$		$ -		$	$ -
Other Reserves ACC units reserve		$	$	$ -	$	$	$ -
Subtotal Development Soft Costs		$ 3 729 570	$	$ 7,506,814	$	$	$ 11,236,384
Total Uses for Development (Part A)		$ 7,362,500	$ 2 189 892	$ 23,950,029	$ -	$ 11,412,000	$ 44 914 421

Part B: Additional Uses	HUD Bdgt Line Item	HOPE VI Funds	RHF Funds	Private Funds	Section 18 Dispo	Other Public Funds	Total
Community & Supp Services (HOPE VI only)	1408	$ 257,483		$ -		$ -	$ 257,483
Management Improvements, PHA	1408	$ -		$ -		$ -	$
Administration	1410	$ -		$ -		$ -	$ -
Outside Legal Cost: PHA/Grantee	1430	$ -		$ -		$ -	$
Fees & Costs	1430	$ -		$ -		$ -	$
Site Acquisition	1440	$ -		$ -		$ -	$ -
Site Improvement	1450	$ -		$ -		$ -	$ -
Non-Dwelling Structures	1470	$ -		$ -		$ -	$
Non-Dwelling Equipment	1475	$ -		$ -		$ -	$
Demolition (and associated remediation)	1485	$ 845,841		$ -	$ 5,176,506	$ -	$ 6,022,347
Relocation Expense	1495	$ -	$ -	$ -	$ -	$ -	$ -
Total Additional Uses (Part B)		$ 1,103,324	$	$ -	$ 5,176,506	$ -	$ 6,279 831
Total Uses this Phase (Parts A and B)		$ 8,465,824	$ 2 189 892	$ 23,950,029	$ 5,176,506	$ 11,412,000	$ 51 194 252

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, D.C. 20410-5000

OFFICE OF PUBLIC AND INDIAN HOUSING

Mr. Lawrence E. Hartley, PHM
Executive Director
Delaware County Housing Authority
1855 Constitution Avenue
P.O. Box 100
Woodlyn, PA 19094-0100

MAY 17 2012

Subject: Approval of Mixed-Finance Proposal and Evidentiary Documents for Delaware County Fairgrounds Phase IV
Development Number: PA023000011

Dear Mr. Hartley:

The Department of Housing and Urban Development (HUD) hereby approves the Mixed-Finance Proposal submitted by the Housing Authority of the County of Delaware (HACD) for the Fairgrounds Phase IV project (Project). This submission, initially received on March 2, 2012, together with supplemental document submissions received through April 23, 2012, satisfies the requirements set forth in 24 CFR 941, subpart F. This approval is subject to the conditions contained in this letter.

On April 11, 2012, HUD granted a waiver of 24 CFR 941.610 subparts (a)(1)-(a)(7) for the Project. Subparts (a)(1)-(a)(7) of the regulation require HUD review and approval of certain legal documents related to mixed-finance development before a closing can occur and public housing funds can be released. With approval of the waiver for the Project, HACD no longer had to submit these documents to HUD for review and approval, with the exception of specific documents which were identified in HUD's April 11, 2012 letter. HACD has submitted these specific documents and they are hereby approved. HACD should keep all legal documents related to the Project, as identified in Exhibit E of the Mixed-Finance Amendment to the consolidated Annual Contributions Contract (Mixed-Finance Amendment), assembled in one location at the offices of HACD, and the documents should be made available to HUD for review upon request.

As HACD has satisfied all other requirements of 24 CFR 941, subpart F, HUD hereby authorizes HACD to have all evidentiary documents executed and recorded as necessary. Upon execution by the appropriate parties, the documents to be recorded must be filed for record in the following order approved by HUD:

1. Declaration of Restrictive Covenants by the Developer and the Housing Authority of the County of Delaware (HACD) in favor of HUD;
2. Deed of Partial Release by HUD;
3. Memorandum of Ground Lease from HACD.

Project Structure

Fairgrounds IV is a proposed new construction development consisting of 71 rental units in 23 walkup, semi-detached and row house buildings. It is the fourth phase of a 319-unit mixed-income, mixed-finance housing redevelopment of the former Fairgrounds Homes site, located in Chester Township, Pennsylvania. All 71 units will be Low Income Housing Tax Credit units (LIHTC), 51 of which will be public housing units, and 10 of which will be Project-Based Voucher (PBV) units. The project will have units in the following bedroom configuration:

Fairgrounds Phase IV					
UNIT TYPE	**1 BR**	**2 BR**	**3 BR**	**4 BR**	**TOTAL**
Public Housing/LIHTC Units	6	25	17	3	51
LIHTC/PBV Units		5	5		10
LIHTC only	1	7	2		10
Total Units	**7**	**37**	**24**	**3**	**71**

The Project will be constructed in accordance with Section 504 of the Rehabilitation Act of 1973, the Architectural Barriers Act (ABA), Title II of the Americans with Disabilities Act (ADA) and the Fair Housing Act to provide accessibility, adaptability, and visitability. Six units will be accessible for mobility impaired persons and two units will be accessible for hearing and sight impaired persons. Information on accessibility requirements can be found in PIH Notice 2010-26 at http://www.hud.gov/offices/pih/publications/notices/10/pih2010-26.pdf.

The Owner Entity for the Project is Fairgrounds Housing Partnership IV, L.P., a Pennsylvania limited partnership (Partnership). The General Partner is Fairgrounds IV, GP, LLC, a Pennsylvania limited liability company (General Partner). The Limited Partner will be an affiliate of Bank of America, N.A., a North Carolina corporation (Investor Limited Partner). The Limited Partner will purchase a 99.99 percent interest in the limited partnership. The project will be developed by Pennrose Properties, LLC, a Pennsylvania limited liability company (Developer). HACD will act as the Management Agent of the Project following completion of construction. Harkins Builders, Inc. will act as the general contractor for the construction of the Project.

Construction Financing

As shown in Attachment D-1, the Project's construction budget totals $15,639,388. As shown in Part A, the Partnership will invest a total of $12,118,006 in the Project's construction. Other sources of funds include $2,621,382 in Capital Fund Program (CFP) funds and a $900,000 loan from County of Delaware HOME Funds. There are no Part B costs for this Project.

Permanent Financing

As shown in Attachment D-2, the Project's permanent budget totals $17,550,124. As shown under Part A, the Partnership will invest a total of $13,928,742 in the Project's construction. Other sources of permanent financing include $2,621,382 in CFP funds and a $1,000,000 loan from County of Delaware HOME Funds. There are no Part B costs.

Total Development Cost Limits

The budget for the Project, which is included as Exhibit F in the Mixed-Finance Amendment (Attachment D-2), results in a Total Development Cost (TDC) that is within the TDC limits imposed on public housing development projects in the City of Philadelphia, as specified in HUD Notice PIH 2011-38. The project costs are at 19.58 percent of the TDC limit and 29.04 percent of the Housing Cost Cap limit (Attachment E).

Subsidy Layering Review

This Project has been reviewed using the subsidy layering guidelines published in the Federal Register on February 25, 1994. These guidelines state that a project receiving HUD assistance and LIHTCs is not subject to further review if its proposed syndication results in net proceeds of greater than 51 cents per dollar of tax credit allocation. If a project receives 51 cents or less, it is subject to review of its development costs, particularly builder's profit, development fees, and syndication costs as a percentage of total development costs.

We completed our analysis using $14,655,660, the amount of tax credits available to the Project subject to the tax credit compliance period, and $13,921,415, the amount of equity to be invested in the Project. Our review indicates that the Project will receive gross syndication proceeds of 95 cents per dollar of tax credit allocation ($13,921,415/$14,655,660) and net syndication proceeds of 96 cents per dollar of tax credit allocation to the Investor Limited Partner ($14,132,735/$14,654,194). To calculate the discounted net proceeds, we have taken the gross syndication proceeds and subtracted out bridge financing costs and tax credit fees relevant to complete the tax credit syndication, compounded equity installments received prior to the Project's Placed-in-Service Date and discounted installments received after this date (Attachments A-C). We then divided this number by the tax credits allocated to the Investor Limited Partner. The Project exceeds the threshold of 51 cents per dollar of tax credit allocation and represents a market rate of equity, given the current market for the purchase of tax credits. Therefore, no further review is required.

Nevertheless, my staff has conducted a detailed review of all development costs to determine that such costs are reasonable and to commit the least amount of public housing development funds necessary to make the proposed development financially feasible. Costs are within the Office of Public Housing's Cost Control and Safe Harbor Standards released by the Office of Public Housing Investments on April 9, 2003.

Financing Changes

In the future, HACD should report any changes in the Project's financing or use of funds to HUD. The Project is subject to additional subsidy layering review if:

- The Project's sources or uses of funds, as detailed in the attached project budget (Attachment D-2), changes by $250,000 or by 10 percent of the amount previously disclosed, whichever is lower;
- Previously disclosed financial interests of persons or entities changes by the lesser of $50,000 or 10 percent of such interest;
- The annual tax credit allocation changes by more than 10 percent; or,

- The schedule of payment of tax credit equity is delayed from that disclosed in Attachment B.

HACD should send a letter informing HUD of the nature of the financing changes along with HUD Form 2880 to the Office of Public Housing Investments within 30 days of the change. At that time, a determination will be made as to whether another subsidy layering review will be necessary.

PIC Input

A new project number, PA022000011, and a Target Date of Full Availability (DOFA) of March 30, 2013 have been entered in the PIC system. In accordance with 24 CFR 990.120(b) and 24 CFR 990.140, a PHA is eligible to received operating subsidy for a unit once it is both placed under the ACC and occupied by a public housing eligible family under lease. Upon the completion of this project and when the actual DOFA date is known, please provide it via form HUD-52423 to the Philadelphia Field Office. The actual DOFA date sets the age coefficient for the PEL and places the project under management status. This will also allow for the upload of occupancy information via HUD form-50058 and for the provision of operating subsidy to this Project.

Next Steps

You may proceed to execute six copies of the Mixed-Finance Amendment for the Project. All six copies must be executed by HACD and then presented to the HUD Philadelphia Office of Public Housing, where Dennis G. Bellingtier, Director of Public Housing, will execute all copies on behalf of HUD. He will keep one copy for use by his office and return the other five copies to you. HACD should retain one copy and provide one copy to the Owner Entity. The other three copies should be returned to HUD with the final evidentiary binder, as noted below.
Mr. Bellingtier is also authorized to sign the Partial Release of the Declaration of Trust and the Non-Disturbance and Attornment Agreement.

The Mixed-Finance Amendment assures that 51 units are public housing units for all purposes, including the Operating Fund, and that the units will be eligible to receive operating subsidy. Consequently, the public housing units must be managed and operated in compliance with all public housing requirements.

After execution and recordation of the evidentiary documents, HACD should provide HUD with three compact discs (CDs), each of which must contain copies of all executed and recorded evidentiary materials for review and approval. The CDs should also include all final supplemental submissions provided HUD during the proposal review process. The final evidentiary CDs, including a hard copy original of the Mixed-Finance Amendment and Regulatory and Operating Agreement, should be received within 30 days of the date of closing with one copy sent to Robert S. Noland at HUD Headquarters and two copies sent to Rosemary A. Hocking at the HUD Philadelphia Hub Office. HACD must include on each CD:

- the required opinions of counsel, together with a certification attesting that no changes to the evidentiary materials have been made since the documents were last submitted and approved by HUD, or if changes have been made, a list of all changes;

- a final title insurance policy that reflects the recordation of all liens, mortgages and encumbrances against the property, in the order approved by HUD;
- the executed Mixed-Finance ACC Amendment; and,
- the executed Regulatory and Operating Agreement.

We look forward to HACD's successful completion of the Fairgrounds Phase IV project. If you have any questions, please contact Rosemary A. Hocking, Grant Manager, at (215) 861-7594.

Sincerely,

Susan A. Wilson
Director, Office of Urban Revitalization
Office of Public Housing Investments

Enclosures

cc: Dennis G. Bellingtier, HUD Philadelphia Hub Office

CERTIFICATION REGARDING THE AMOUNT OF HUD ASSISTANCE
PROVIDED FOR HOUSING DEVELOPMENT UTILIZING
ARRA EXCHANGE ASSISTANCE

Pursuant to regulations at 24 CFR Part 941, subpart F, 24 CFR Part 4, and the subsidy layering guidelines published in the Federal Register on February 25, 1994, I certify that the assistance provided by the U.S. Department of Housing and Urban Development to **Fairgrounds Phase IV, Township of Chester, Delaware County, PA** is not more than is necessary to provide affordable housing after taking into account other assistance including Low Income Housing Tax Credits. This certification is based solely on information included as Attachments A-D to the Proposal and Evidentiary Approval letter.

Susan A. Wilson

Susan A. Wilson
Director, Office of Urban Revitalization
Office of Public Housing Investments

Date: May 17, 2012

Attachment D-1

EXHIBIT F

SUMMARY BUDGET -- CURRENT PHASE ONLY (CONSTRUCTION PERIOD)

Grantee or Applicant HA: Housing Authority of the County of Delaware

Development Name and Phase: Delaware County Fairgrounds Phase IV

Unit Type:	Rental Public Housing	Rental non-PH	HO w/PH Assistance	HO w/o PH Assistance	Total Units this Phase
Number of Units (entered on Unit Mix worksheet)	51	20	-	-	71

Part A: Development Sources	Loan/Grant/Equity	PH Capital Assist	Private Funds	Other Public Funds	Total
Public Housing Capital Assistance Loan		$ 2,621,382	$ -	$ -	$ 2,621,382
Public Housing Capital Assistance: Grant	Grant	$ -	$ -	$ -	$ -
Low Income Housing Tax Credit Equity	Equity	$ -	$ 12,118 006	$ -	$ 12,118,006
County of Delaware HOME Funds	1st Mortgage	$ -	$ -	$ 900,000	$ 900,000
Other Insert Label		$ -	$ -	$ -	$ -
Other Insert Label		$ -	$ -	$ -	$ -
Other Insert Label		$ -	$ -	$ -	$ -
Other Insert Label		$ -	$ -	$ -	$ -
Other Insert Label		$ -	$ -	$ -	$ -
Other Insert Label		$ -	$ -	$ -	$ -
Other Insert Label		$ -	$ -	$ -	$ -
Total Development Sources (Part A)		$ 2,621,382	$ 12,118,006	$ 900,000	$ 15,639,388

Part B: Additional Sources		PH Capital Assist.	Private Funds	Other Public Funds	Total
Public Housing Capital Assistance		$ -	$ -	$ -	$ -
Other. Insert Label		$ -	$ -	$ -	$ -
Other Insert Label		$ -	$ -	$ -	$ -
Total Additional Sources (Part B)		$ -	$ -	$ -	$ -
Total Sources this Phase (Parts A and B)		$ 2,621,382	$ 12,118,006	$ 900,000	$ 15,639,388

Part A: Development Uses Development Construction Costs	HUD Bdgt Line Item	PH Capital Assist	Private Funds	Other Public Funds	Total
Residential Construction	1460	$ 2,221,382	$ 4,585,926	$ 900,000	$ 7,707,308
Residential Rehabilitation	1460	$ -	$ -	$ -	$ -
Builder's General Requirements	1460	$ -	$ 609,757	$ -	$ 609,757
Builder's Overhead	1460	$ -	$ 229 553	$ -	$ 229,553
Builder's Profit	1460	$ -	$ 650,268	$ -	$ 650,268
Site Improvement	1450	$ -	$ 4,151,815	$ -	$ 4,151,815
Other Community Facility	1470	$ -	$ 403,461	$ -	$ 403,461
Subtotal Development Construction Costs		$ 2,221,382	$ 10,630,780	$ 900,000	$ 13,752,162

Development Soft Costs	HUD Bdgt Line Item	PH Capital Assist	Private Funds	Other Public Funds	Total
Acquisition of Site(s) - Transfer Tax	1440	$ -	$ 6,000	$ -	$ 6,000
Accounting and Cost Certification	1430	$ -	$ 32,500	$ -	$ 32,500
Appraisal Expense	1430	$ -	$ -	$ -	$ -
Architect & Engineer Fees	1430	$ 300,000	$ 469,682	$ -	$ 769,682
Environmental Assessment, Testing & Cleanup	1430	$ -	$ 18,000	$ -	$ 18,000
Financing & Application Exp., Lender	1430	$ -	$ 10,000	$ -	$ 10,000
Financing & Application Expense, Tax Credit	1430	$ 50 000	$ 25,434	$ -	$ 75,434
Insurance, Construction Period	1430	$ -	$ 30,534	$ -	$ 30,534
Interest, Construction & Bridge Loan(s)	1430	$ -	$ -	$ -	$ -
Legal Expense, Developer & Lender(s)	1430	$ -	$ 100 000	$ -	$ 100,000
Marketing & Lease-up Expense	1430	$ -	$ 29,768	$ -	$ 29,768
Permits Construction & Utility Hookup	1430	$ 50,000	$ 152,980	$ -	$ 202,980
PILOT & Taxes, Construction Period	1430	$ -	$ 5,000	$ -	$ 5,000
Survey	1430	$ -	$ -	$ -	$ -
Title & Recording Fees	1430	$ -	$ 70,000	$ -	$ 70,000
Initial Operating Deficit (Construction Period)	1430	$ -	$ -	$ -	$ -
Other Contingency	1430	$ -	$ -	$ -	$ -
Other Soil Testing & Inspection		$ -	$ 67 328	$ -	$ 67,328
Other LEED/Energy Star		$ -	$ 20,000	$ -	$ 20,000
Other Tax & Insurance Escrow		$ -	$ -	$ -	$ -
Other Supportive Services Escrow		$ -	$ -	$ -	$ -
Other Operating Subsidy Reserve		$ -	$ -	$ -	$ -
Other: Operating Deficit Reserve		$ -	$ -	$ -	$ -
Other Developer Fee		$ -	$ 450,000	$ -	$ 450,000
Subtotal Development Soft Costs		$ 400,000	$ 1,487,226	$ -	$ 1,887,226
Total Uses for Development (Part A)		$ 2,621,382	$ 12,118,006	$ 900,000	$ 15,639,388

Part B: Additional Uses	HUD Bdgt Line Item	PH Capital Assist.	Private Funds	Other Public Funds	Total
Community & Supportive Services (HOPE VI only)	1408	$ -	$ -	$ -	$ -
Management Improvements, PHA	1408	$ -	$ -	$ -	$ -
Administration PHA	1410	$ -	$ -	$ -	$ -
Fees & Costs	1430	$ -	$ -	$ -	$ -
Site Acquisition	1440	$ -	$ -	$ -	$ -
Site Improvement	1450	$ -	$ -	$ -	$ -
Non-Dwelling Structures	1470	$ -	$ -	$ -	$ -
Non-Dwelling Equipment	1475	$ -	$ -	$ -	$ -
Demolition (and associated remediation)	1485	$ -	$ -	$ -	$ -
Relocation Expense	1495	$ -	$ -	$ -	$ -
Total Additional Uses (Part B)		$ -	$ -	$ -	$ -
Total Uses this Phase (Parts A and B)		$ 2,621,382	$ 12,118,006	$ 900,000	$ 15,639,388

Attachment D-2

EXHIBIT F

SUMMARY BUDGET – PHASE I ONLY (PERMANENT FINANCING)

Grantee or Applicant HA: Housing Authority of the County of Delaware

Development Name and Phase: Delaware County Fairgrounds Phase IV

Unit Type:	Rental Public Housing	Rental non-PH	HO w/PH Assistance	HO w/o PH Assistance	Total Units this Phase
Number of Units (entered on Unit Mix worksheet).	51	20	-	-	71

Part A: Development Sources	Loan/Grant/Equity	PH Capital Assist.	Private Funds	Other Public Funds	Total
Public Housing Capital Assistance Loan		$ 2,621,382	$ -	$ -	$ 2,621,382
Public Housing Capital Assistance Grant	Grant	$ -	$ -	$ -	$ -
Low Income Housing Tax Credit Equity	Equity	$ -	$ 13,928,742	$ -	$ 13,928,742
County of Delaware HOME Funds	1st Mortgage	$ -	$ -	$ 1,000,000	$ 1,000,000
Other Insert Label		$ -	$ -	$ -	$ -
Other Insert Label		$ -	$ -	$ -	$ -
Other Insert Label		$ -	$ -	$ -	$ -
Other Insert Label		$ -	$ -	$ -	$ -
Other Insert Label		$ -	$ -	$ -	$ -
Other Insert Label		$ -	$ -	$ -	$ -
Other Insert Label		$ -	$ -	$ -	$ -
Total Development Sources (Part A)		$ 2,621,382	$ 13,928,742	$ 1,000,000	$ 17,550,124

Part B: Additional Sources		PH Capital Assist.	Private Funds	Other Public Funds	Total
Public Housing Capital Assistance		$ -	$ -	$ -	$ -
Other Insert Label		$ -	$ -	$ -	$ -
Other Insert Label		$ -	$ -	$ -	$ -
Total Additional Sources (Part B)		$ -	$ -	$ -	$ -
Total Sources this Phase (Parts A and B)		$ 2,621,382	$ 13,928,742	$ 1,000,000	$ 17,550,124

Part A: Development Uses

Development Construction Costs	HUD Bdgt Line Item	PH Capital Assist.	Private Funds	Other Public Funds	Total
Residential Construction	1460	$ 2,221,382	$ 4,585,926	$ 1,000,000	$ 7,807,308
Residential Rehabilitation	1460	$ -	$ -	$ -	$ -
Builder's General Requirements	1460	$ -	$ 609,757	$ -	$ 609,757
Builder's Overhead]	1460	$ -	$ 229,553	$ -	$ 229,553
Builder's Profit	1460	$ -	$ 650,268	$ -	$ 650,268
Site Improvement	1450	$ -	$ 4,151,815	$ -	$ 4,151,815
Construction Contingency	1460	$ -	$ 403,461	$ -	$ 403,461
Subtotal Development Construction Costs		$ 2,221,382	$ 10,630,780	$ 1,000,000	$ 13,852,162

Development Soft Costs	HUD Bdgt Line Item	PH Capital Assist.	Private Funds	Other Public Funds	Total
Acquisition of Site(s) - Transfer Tax	1440	$ -	$ 6,000	$ -	$ 6,000
Accounting and Cost Certification	1430	$ -	$ 32,500	$ -	$ 32,500
Appraisal Expense	1430	$ -	$ -	$ -	$ -
Architect & Engineer Fees	1430	$ 300,000	$ 469,682	$ -	$ 769,682
Environmental Assessment, Testing & Cleanup	1430	$ -	$ 18,000	$ -	$ 18,000
Financing & Application Expense, Lender	1430	$ -	$ 10,000	$ -	$ 10,000
Financing & Application Expense, Tax Credit	1430	$ 50,000	$ 99,734	$ -	$ 149,734
Insurance, Construction Period	1430	$ -	$ 30,534	$ -	$ 30,534
Interest, Construction & Bridge Loan(s)	1430	$ -	$ -	$ -	$ -
Legal Expense, Developer & Lender(s)	1430	$ -	$ 100,000	$ -	$ 100,000
Marketing & Lease-up Expense	1430	$ -	$ 62,167	$ -	$ 62,167
Permits, Construction & Utility Hookup	1430	$ 50,000	$ 152,980	$ -	$ 202,980
PILOT & Taxes, Construction Period	1430	$ -	$ 5,000	$ -	$ 5,000
Survey	1430	$ -	$ -	$ -	$ -
Title & Recording Fees	1430	$ -	$ 70,000	$ -	$ 70,000
Initial Operating Deficit (Construction Period)	1430	$ -	$ -	$ -	$ -
Other Contingency	1430	$ -	$ -	$ -	$ -
Other Soil Testing & Inspection		$ -	$ 67 328	$ -	$ 67,328
Other LEED/Energy Star		$ -	$ 20,000	$ -	$ 20,000
Other Tax & Insurance Escrow		$ -	$ 47,736	$ -	$ 47,736
Other Supportive Services Escrow		$ -	$ 255,000	$ -	$ 255,000
Other Operating Subsidy Reserve		$ -	$ 147,120	$ -	$ 147,120
Other Operating Deficit Reserve		$ -	$ 204,181	$ -	$ 204,181
Other Developer Fee		$ -	$ 1,500,000	$ -	$ 1,500,000
Subtotal Development Soft Costs		$ 400,000	$ 3,297,962	$ -	$ 3,697 962
Total Uses for Development (Part A)		$ 2,621,382	$ 13,928,742	$ 1,000,000	$ 17,550,124

Part B: Additional Uses	HUD Bdgt Line Item	PH Capital Assist.	Private Funds	Other Public Funds	Total
Community & Supp Services (HOPE VI only)	1408	$ -	$ -	$ -	$ -
Management Improvements, PHA	1408	$ -	$ -	$ -	$ -
Administration, PHA	1410	$ -	$ -	$ -	$ -
Fees & Costs	1430	$ -	$ -	$ -	$ -
Site Acquisition	1440	$ -	$ -	$ -	$ -
Site Improvement	1450	$ -	$ -	$ -	$ -
Non-Dwelling Structures	1470	$ -	$ -	$ -	$ -
Non-Dwelling Equipment	1475	$ -	$ -	$ -	$ -
Demolition (and associated remediation)	1485	$ -	$ -	$ -	$ -
Relocation Expense	1495	$ -	$ -	$ -	$ -
Total Additional Uses (Part B)		$ -	$ -	$ -	$ -
Total Uses this Phase (Parts A and B)		$ 2,621,382	$ 13,928,742	$ 1,000,000	$ 17,550,124

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, D.C. 20410-5000

OFFICE OF PUBLIC AND INDIAN HOUSING

MAY 23 2012

Mr. Lawrence E. Hartley, PHM
Executive Director
Delaware County Housing Authority
1855 Constitution Avenue
P.O. Box 100
Woodlyn, PA 19094-0100

Subject: **Corrected** Mixed-Finance and Evidentiary Approval
Delaware County Fairgrounds Phase IV
Development Number: PA023000011

Dear Mr. Hartley:

The Department of Housing and Urban Development (HUD) approved the Mixed-Finance Proposal and Evidentiary Documents for the Fairgrounds Phase IV project (Project) on May 17, 2012. I am writing to correct certain errors in that letter.

Project Structure

The correct Project unit count is as follows.

Fairgrounds Phase IV					
UNIT TYPE	**1 BR**	**2 BR**	**3 BR**	**4 BR**	**TOTAL**
Public Housing/LIHTC Units	6	25	17	3	51
LIHTC/PBV Units		5	5		10
LIHTC only	2	6	1	1	10
Total Units	**8**	**36**	**23**	**4**	**71**

The fourth sentence of the third paragraph on page 2 of the approval letter that currently reads, "The Limited Partner will purchase a 99.99 percent (99.99%) interest in the limited partnership" is amended to read, "The Limited Partner will purchase a 99.0 percent (99.0%) interest in the limited partnership."

Subsidy Layering Review

On page 3 of the approval letter, the first sentence of the second paragraph under Subsidy Layering Review currently reads in part, "$13,921,415, the amount of equity to be invested in the Project." This part is amended to read, "$13,928,742, the amount of equity to be invested in the Project." The second sentence of that paragraph contains the equation "($13,921,415/$14,655,660)." This equation is amended to read, "($13,928,742/$14,655,660)." The second sentence of the second paragraph concludes with, "...net syndication proceeds of 96 cents per dollar of tax credit allocation to the Investor Limited Partner ($14,132,735/$14,654,194)." This concluding part is amended to read, "...net syndication proceeds of 97 cents per dollar of tax credit allocation to the Investor Limited Partner

($14,119,451/$14,509,103)." Attachments A and B to the approval letter are replaced by Attachments A and B of this amended letter.

We look forward to HACD's successful completion of the Fairgrounds Phase IV project. If you have any questions, please contact Rosemary A. Hocking, Grant Manager, at (215) 861-7594.

Sincerely,

Susan A. Wilson

Susan A. Wilson
Director, Office of Urban Revitalization
Office of Public Housing Investments

Enclosures

cc: Dennis G. Bellingtier, HUD Philadelphia Hub Office

U.S. Department of Housing and Urban Development

Baltimore Office
City Crescent Building
10 South Howard Street, 5th Floor
Baltimore, MD 21201-2528

Patricia Rynn Sylvester, Director
Multi-Family Housing
Maryland Department of Housing
and Community Development
100 Community Place
Crownsville, MD 21032

Dear Ms. Sylvester:

SUBJECT: Amended Firm Approval Letter
Orchard Ridge Rental IV
Baltimore City, Maryland
FHA No.: 052-98024
Section 542 (c)

We understand that you, **Maryland Department of Housing and Community Development**, located at **100 Community Place, Crownsville, Maryland 21032**,, as Mortgagee, have agreed to make a loan to **Orchard Ridge Rental IV, LLC** (hereinafter called the "Mortgagor"), for **64** units of multifamily housing for an estimated mortgage amount of **$4,185,000**, at an interest rate of **5.75%**, to be secured by a credit instrument and security instrument (hereinafter jointly called the "Mortgage") covering the real property situated in **Baltimore City, Maryland**, at **4300 Maple Shade Drive; 4400-4412 and 4401-4413 Grape Vine Way; 4205, 4300-4310, and 4301-4319 St. Clair Court; 4204 Maple Shade Drive; and 4333-4351 Orchard Ridge Boulevard.**

We understand that it is your intention to present the said Mortgage to the Department of Housing and Urban Development for mortgage insurance under Section 542(c) of the Housing and Community Development Act of 1992, and the regulations hereunder now in effect.

We understand that you agree to reimburse the Department of Housing and Urban Development **50** per centum of any loss which may occur due to default while the mortgage insurance is in force.

The reviews retained by the Department of Housing and Urban Development pursuant to 24 CFR §266.210(a), (b), and (c), and §266.205(b) have been completed and resulted in the following determinations:

1. The principals of the mortgagor, general contractor, consultant or management agent have been cleared through the Previous Participation and Clearance Review Procedures in accordance with 24 CFR §200.210 through §200.218.

2. The project is in compliance with the National Environmental Policy Act of 1969 and related laws and authorities.

3. The requirements of 24 CFR §52, Intergovernmental Review have been met and administrative instructions associated with the Housing Finance Agency Risk Sharing Program have been followed/are not applicable.

4. The project is not located in a military impact area.

The Federal Housing Commissioner acting herein on behalf of the Secretary of Housing and Urban Development hereby agrees to insure said Mortgage, absent fraud or misrepresentation by the Mortgagee, subject to a reduction of the mortgage amount (if required), under the provisions of said Act and regulations upon the following conditions:

1. The Mortgagee is in good standing and in compliance with the terms of the Risk Sharing Agreement executed on September 23, 1994.

2. Two copies of the Closing Docket must be submitted which meet the terms of 24 CFR §266.420.

3. The title and mortgage meet the requirements of 24 CFR §266.405 and §266.410, respectively.

4. For properties subject to the requirements of the Davis- Bacon Act pursuant to 24 CFR §266.225(a) (i.e., new construction or substantial rehabilitation insured advances cases), the Mortgagee has certified at final endorsement, that the laborers and mechanics employed in the construction of the project involved have been paid not less than the wages determined by the Secretary of Labor pursuant to the Davis-Bacon Act.

Upon endorsement of the Mortgage, the Mortgagee shall pay to the Commissioner a mortgage insurance premium equal to **.25** per centum of the principal amount of the Mortgage insured to cover the first year's mortgage insurance premium and shall continue to make payments thereafter as required by the aforesaid regulations.

This Firm Approval Letter shall expire **One (1)** year from the date hereof if the subject project has not reached endorsement or construction start, unless duly extended in writing by the Commissioner. Upon such expiration all rights and obligations of the respective parties shall cease. Prior to any extension of this letter, the Commissioner may, at his/her option, reexamine the letter to determine whether it shall be extended, shall be extended in the same amount, or shall be extended to include a lesser amount.

It is a condition of this Firm Approval Letter that any change in the Mortgagor upon which this letter is predicated must be requested in writing by the Mortgagee on behalf of the proposed substitute Mortgagor(s), and such request must be approved in writing by the Commissioner.

This Firm Approval Letter and Risk Sharing Agreement, and the applicable regulations, 24 CFR Part 266, constitute the entire agreement between us, and acceptance of the terms hereof is evidenced by the signature and seals of the Mortgagor and Mortgagee upon the lines provided below.

You must advise the Commissioner of your acceptance of this Firm Approval Letter by signing on the line indicated and returning such executed copy to the Commissioner on or before ten (10) business days from the date of the Firm Approval Letter.

Baltimore City, Maryland

Orchard Ridge Rental Phase IV

SECRETARY OF HOUSING AND URBAN DEVELOPMENT
BY: FEDERAL HOUSING COMMISSIONER

By: _____

Date Issued: August 15, 2013
Date Amended: September 17, 2013

Authorized Agent
Robert G. Iber
Director
Baltimore Multifamily Program Center

The above commitment to insure is hereby acknowledged by the undersigned, and we hereby agree to be bound by terms thereof.

WITNESS: _____

_____
Mortgagor Authorized Agent
By: Ivy Dench-Carter
Orchard Ridge Rental Phase IV, LLC

WITNESS: _____

_____
Mortgagee
By: Frank Coakley, Assistant Secretary CDA

FINANCING DOCUMENTATION ATTACHMENTS

2013 LOW-INCOME HOUSING TAX CREDIT
Preliminary Award Checklist

TN13-022 **Development Name: Memphis Triangle Phase IV**

1. ☒ Firm commitment letter(s) for construction financing and competitive state or Federal loans or grants, executed as specified in the letter and otherwise in a form and with substance acceptable to THDA.

2. ☒ Firm commitment letter from the equity syndicator/investor, executed as specified in the letter and otherwise in a form and with substance acceptable to THDA.

3. ☒ Most recent utility allowance documents from USDA/RD, HUD, local PHA or utility company indicating the basis for calculations of utility costs for the size and type of units proposed as indicated in the Initial Application.

4. ☒ Evidence from **each service provider** indicating that each of the following utilities are available at the site and are adequate to serve the proposed Development: electricity, sewer, water, and gas (if the Development utilizes gas).

5. ☒ Evidence, currently dated, from the appropriate local governmental authority demonstrating that all parcels as indicated in the Initial Application are **currently** zoned to permit the Development as proposed and that all other land use regulations have been met. The map and parcel, property address and **proposed unit density must specifically be stated**. Property awaiting third or final readings will not be accepted.

6. ☒ IRS Notification Letter reflecting Employer Identification Number for the Ownership Entity. This is the identification number THDA will use on the Carryover Allocation Agreement.

7. ☒ Irrevocable Gross Rent Floor Election Form.

8. ☒ 2013 Carryover Application with all applicable documentation.

9. ☒ Attachment 30, Architect's Certification.

   a. ☐ Certification from the design architect that the Development will be designed and built for Special Housing Needs so that at least thirty-five (35%) of the total number units in the development (which number shall be rounded up to the next whole unit) are fully equipped for persons with disabilities in accordance with the Americans with Disabilities Act, as applicable, and the Fair Housing Act (including one of the eight safe harbors recognized by HUD shown on Exhibit 7).

   b. ☐ Certification from the design architect that the Development will be designed and built for Special Housing Needs to be one hundred (100%) occupied by the elderly. For purposes of the QAP the definition of elderly is as follows: (a) for

proposed developments utilizing other state or federal financing (e.g. HUD, USDA), the definition of elderly shall be consistent with the requirements of such other state or federal financing; or (b) for all other proposed developments, the definition of elderly shall be a household whose head or head's spouse or sole member is a person who is at least 62 years of age.

c. ☐ Certification from the design architect that the Development will be designed and built for Special Housing Needs to have one hundred percent (100%) of the low-income units designed as *permanent, non-transient* (within the meaning of Section 42 (i)(3)(B)) housing for households whose primary residence prior to residing in the development is a privately or publicly operated shelter designed to provide temporary living accommodations, or a private or public place not designed for or ordinarily used as a regular sleeping accommodation for human beings.

d. ☒ Certification from the design architect that 100% of the "covered multifamily dwellings" (as defined in the Fair Housing Act) must meet all accessible design requirements under the Fair Housing Act and will be designed and built in accordance with the Fair Housing Act (including one of the eight safe harbors recognized by HUD as shown on Exhibit 7) and all other areas in the development open to the public are "public accommodations" and will be designed and built in accordance with the Americans with Disabilities Act.

e. ☒ Certification from the design architect confirming all newly constructed single family units, duplexes, triplexes and townhomes must meet the visitability requirements set forth in the THDA Flexible Home Concepts Programs.

f. ☐ Certification from the design architect confirming the Development will upon completion of all rehabilitations meets:

☐ **Substantial** preservation or rehabilitation so that upon completion of all rehabilitation, the major building components and systems will not require further substantial rehabilitation for a period of at least fifteen (15) years from the required placed in service date. Major building components and systems are roof structures, wall structures, floor structures, foundations, plumbing systems, central heating and air conditioning systems, electrical systems, doors and windows, parking lots, elevators, and fire/safety systems. Rehabilitation hard costs must be no less than the greater of thirty percent (30%) of building acquisition costs or $12,000 per unit.

☐ **Moderate** preservation or rehabilitation so that upon completion of all rehabilitation, the scope of work must include, at a minimum, all appliances in all units being Energy-Star compliant (this requirement does not apply to dryers, ovens, ranges, or microwaves) and all work specified with regard to drywall, carpet, tile, interior and exterior paint, the electrical system, heating and air conditioning systems, roof, windows, interior and exterior doors, stairwells, handrails and mailboxes. Rehabilitation hard costs must be no less than the greater of twenty-five (25%) of building acquisition cost or $8,000 per unit.

☐ **Limited** preservation or rehabilitation so that upon completion of all rehabilitation, the scope of work must include, at a minimum, all work specified with regard to interior and exterior common areas, interior and exterior painting and/or power washing, gutters, parking areas, sidewalks, fencing, landscaping and mailboxes. Rehabilitation hard costs must be no less than the greater of twenty percent (20%) of building acquisition cost or $6,000 per unit.

g. ☒ Certification from the design architect that all vinyl siding on all or any part of the exterior meets a 15-year maintenance free standard.

h. ☒ Certification from the design architect confirming the Development meets all applicable local building codes or in the absence of such codes, the development must meet the following, as applicable: new construction of multi-family apartments of 3 or more units must meet the 2009 International Building Code; new construction or reconstruction of single-family units or duplexes must meet the 2009 International Residential Code for one- and two-family dwellings; and rehabilitation of rental units must meet the 2009 International Existing Building Code and the 2009 International Property Maintenance Code.

i. ☒ Certification from the design architect that the Development will have hardwired smoke detectors, with battery backup, in the bedroom areas of all units.

j. ☒ Certification from the design architect that the Development will be designed and built to promote energy conservation by meeting the standards of 2009 International Building Code.

k. ☒ Certification from the design architect that the Development will be designed and built using brick, stone, cement fiber siding, or vinyl to meet a 15-year maintenance-free exterior standard.

l. ☒ Certification from the design architect that the Development will be designed and built with a minimum of **65%** of the exterior wall surfaces below the plate line covered with brick, stone or cement fiber siding exterior.

m. ☐ Certification from the design architect that the Development will exclusively involve a structure (or structures) that is listed individually in the National Register of Historic Places, or is located in a registered historic district and certified by the Secretary of the Interior as being of historical significance to the district, and all proposed work will be completed in such a manner as to be eligible for historic rehabilitation tax credits.

n. ☒ Certification from the design architect confirming utilizing the energy efficiency items;

☒ Electrical – Lighting: Being all light fixtures in units and common areas to be initially fitted with Energy Star rated light bulbs, compact fluorescent or LED; <u>and</u> if ceiling fans are provided, the fan must be an Energy Star rated ceiling fan with light fixture (the light fixture is not required to be Energy Star rated) and must connect to wall switches.

- ☒ Water Conservation – Plumbing: Being the use of at least one (1) high efficiency or dual flush toilet per unit; and all faucets, shower heads, and toilets must be EPA "Watersense" rated.
- ☒ HVAC Upgrades: Being HVAC systems, including the air handler and line sets must be rated at 14 SEER and properly sized for the units; and Energy Star rated unit temperature control thermostats in each unit.
- ☒ Energy Efficient Appliances: Being Energy Star rated Frost free Refrigerator/Freezer in all units; and Energy Star rated Dishwashers in all units; and all other appliances provided in the unit, including in unit washers must be Energy Star rated (this requirement does not apply to dryers, ovens, ranges or microwaves).
- ☒ Building Construction: Being the use of double glazed, insulated energy efficient windows for all windows in all units; and attic insulation must meet R-30 minimum value; and metal-clad wood, fiberglass, or hollow metal construction exterior doors with a minimum R-11 rating in all units.

10. ☒ Marketing plans, lease-up plans, and operating policies and procedures which are fully compliant with the THDA Affirmative Marketing Policies and Procedures.

11. ☒ Affirmative Marketing Plans for Households with Children. The Development will be designed and built for Households with Children to be operated in accordance with marketing plans, lease-up plans, and operating policies and procedures which are fully compliant with the THDA Affirmative Marketing Policy and Procedures having at least 2 of the following on-site amenities:

- ☐ Appropriately sized, dedicated space with appropriate furniture and fixtures for and agreements with providers of after-school tutoring or homework help programs; or
- ☒ Appropriately sized computer room containing at least 1 computer with free internet access for each 50 total units; or
- ☐ Ball court separate from all parking areas; or
- ☒ Playground with permanent playground equipment.

All materials submitted in response to this Preliminary Award Checklist will be reviewed to determine if the terms, conditions and requirements were met. If the terms, conditions and requirements of this Preliminary Award Checklist are not met the Carryover Allocation Agreement will not be issued and the Tax Credits hereunder may be redistributed in accordance with the 2013 QAP.

Following the full execution of a Carryover Allocation Agreement, pursuant to the provisions of Part X-B of the 2013 Qualified Allocation Plan, all of the following conditions must be met by the specified deadlines:

1. Submit, no later than November 17, 2014, a Cost Certification prepared by an independent CPA, **licensed by the State of Tennessee,** certifying that more than ten percent (10%) of

the reasonably expected basis of the Development has been spent by November 17, 2014. Owner acknowledges that THDA's determination as to satisfaction of the ten percent (10%) requirement is not binding upon the Internal Revenue Service and does not constitute a representation by THDA to Owner or to any other party. Certification format will be available on THDA's web site at www.thda.org.

2. Submit, no later than **November 17, 2014**, a copy of the recorded warranty deed showing ownership by the ownership entity identified in the Carryover Allocation Agreement or a fully executed ground lease with a term of no less than 50 years (subject to the provisions of Part VII-A-7-(a) (v) of the 2013 QAP) showing the ownership entity as identified in the Carryover Allocation Agreement as the lessee.

3. Submit, no later than **November 17, 2014,** Certification with regard to 100-Year Flood Plain, Attachment 25, verifying that no portion of the improvements associated with the development will be within a 100-year flood plain. Proof of flood insurance is required if any portion, other than parking lots, is located within the flood plain.

4. **Upon receipt of the executed Carryover Agreement, THDA will issue a Restrictive Covenant, to the ownership entity, committing the property to service low-income tenants for a minimum of fifteen (15) years. This document must be executed and recorded and the original returned to THDA.**

5. **THDA must receive a copy of the promissory note and recorded deed of trust for permanent financing of the development within fifteen (15) business days of the date for recording of the deed of trust. Failure to provide such documentation shall be deemed an event of noncompliance hereunder. THDA reserves the right to issue revised IRS Form(s) 8609 following receipt of the copy of the promissory note and recorded deed of trust if the terms of the promissory note and/or deed of trust vary from the terms of the Final Application.**

All of the following conditions must be met no later than **Tuesday, December 1, 2015** in order to receive IRS Form(s) 8609 in 2016:

1. Submit a complete and updated THDA Low-Income Housing Tax Credit Final Application, and all applicable requirements, based on actual final costs and conditions;
2. Submit a copy of the final certificate of occupancy for each building;
3. Submit a copy of the recorded Warranty Deed;
4. Submit an audited Cost Certification of all Development costs in the format provided in THDA's Final Application;
5. Submit a copy of the final Syndication Commitment Letter;
6. Submit an Applicant's Verification Form certifying the date each building was placed in service and the adjusted cost;
7. Final Architect Certification Letter – Attachment 30;
8. Submit the required Compliance Monitoring Fee;
9. Attend an Owner's Compliance Training session. Verification of attendance by the owner will be monitored by THDA. Refer to Part XIII-K of the 2013 QAP for detailed information.

By completing this Preliminary Award Checklist, Owner understands and accepts the risk that the U.S. Department of Treasury or the Internal Revenue Service may change tax credit requirements. Owner further acknowledges that it consults with a tax advisor of Owner's choice as to any consequences related to the Tax Credit Certificate, the cost breakdown per building, or any other tax issues associated with the Development.

THDA shall have no liability to Owner or to any other person or entity associated with the Development for any adverse consequences, if the Development proceeds based upon this Preliminary Award Checklist. This Preliminary Award Checklist does not guarantee the Owner or Development that the amount of tax credits referenced herein will be the amount of tax credits referenced in a Carryover Allocation Agreement, if any, or IRS Forms 8609, if any. THDA is required to evaluate the appropriate amount of tax credits for this Development at least one more time. This evaluation will occur at the time of the placed in service date. **Further evaluations may result in the denial of Tax Credits or a reduction in the amount of Tax Credits allocated to this Development**. Developments utilizing Rural Development, HUD, or other credit enhancements are subject to their reviews and recommendations. Changes in costs, changes in the value of the Tax Credit, or interest rate changes, as well as numerous other changes may reduce the final Tax Credit amount reflected on IRS Forms 8609, if issued by THDA.

Once the Development is Placed In Service and IRS Form(s) 8609 is issued, THDA will monitor the Development for compliance under Federal Regulations and the relevant QAP. THDA will notify the Internal Revenue Service, in writing, detailing any noncompliance with program requirements or with representations which the ownership entity made in responding to Federal and THDA requirements under the program. Owner will pay THDA a **compliance monitoring fee** (see Part XV-E of the 2013 QAP). All developments will be monitored in accordance with Tax Code requirements, elections made in the Initial Application and the relevant QAP.

Owner shall submit an Owner's Certification to THDA annually, in a form and with a substance satisfactory to THDA. THDA will carry out its compliance obligations in accordance with relevant Tax Code requirements and regulations and the relevant QAP. THDA also reserves the right to inspect the Development, its books, leases and management records of tenant incomes at any time during normal business hours.

All required information, materials and documentation referenced in this Preliminary Award Checklist must be submitted prior to the deadlines reflected. THDA will not follow up on missing items. All information, materials and documentation submitted to THDA to satisfy any of the terms, conditions and requirements of this Preliminary Award Checklist must be in a form and with substance satisfactory to THDA, as determined by THDA in its sole discretion. Failure to adhere to these terms will result in the cancellation of the Preliminary Award Letter.

This Preliminary Award Checklist is contingent upon the correction, to THDA's satisfaction, of any outstanding compliance issues involving the Development team and/or Owner.

TENNESSEE HOUSING DEVELOPMENT AGENCY, signed this 7th day of June, 2013.

BY: _____

Michael J. Blade , Director and Assistant Legal Counsel Multifamily Development

Accepted this _____ day of _____, 2013

Memphis Triangle Phase IV, LLC

BY: Memphis Triangle, LLC

BY: Pennrose Properties, LLC

_____

Signature MARK H. DAMBLY

PRESIDENT

_____

Title

City of Memphis
TENNESSEE

A C WHARTON, JR.
MAYOR

July 25, 2012

Robert Lipscomb
Executive Director
Memphis Housing Authority
700 Adams Avenue
Memphis, TN 38105

Re: City Funding Commitment for Cleaborn Homes HOPE VI Revitalization Program

Dear Mr. Lipscomb:

The City of Memphis has made the revitalization of South Downtown a priority under the City's redevelopment plans. The area includes two Memphis Housing Authority (MHA) sites, Cleaborn and Foote Homes, as well as a number of buildings of historic significance to the heritage of African Americans in Memphis. This public-private collaborative will also honor the legacy and centuries of achievements and contributions of African Americans to our City's evolution in commerce, industry and entrepreneurship.

The City continues to collaborate closely with MHA on the planning and implementation of the proposed plan to revitalize the area. I am confident that MHA, with assistance from HUD, along with our funding commitments, will be able to revitalize the Cleaborn Homes site by replacing the isolated, dilapidated and functionally obsolete public housing with a new mixed income community reconnected to the surrounding neighborhood.

CDBG/HOME Funding
The City commits $3.5 million of combined CDBG and HOME funds toward the HOPE VI revitalization of Cleaborn Homes. These funds will be used for public improvements and residential construction related to the revitalization program and will be available during the HOPE VI implementation period.

CIP Funding
The City has committed to providing $12 million in Capital Improvement Program (CIP) funds. These funds will be used for residential construction, site preparation and public infrastructure for the revitalization program and will be available during the HOPE VI implementation period.

Suite 700 • 125 N. Main Street • Memphis, Tennessee 38103-2078 • (901) 576-6000 • FAX (901) 576-6018

City Financing

The City commits to providing $11.65 million of additional financing for the Cleaborn Homes HOPE VI Revitalization. These funds will be used for infrastructure, site preparation and residential construction costs related to the revitalization program, and will be available starting last quarter of 2012. The projected need is for:

- 2012: $4.21 million commitment for Phase III public infrastructure. An estimated $2.1 million of the funds would be drawn beginning in October 2012, and the remainder in 2013.

- 2013: $7.44 million for Phases III and Phase IV ($4.3 million Phase III residential construction, $3.14 million for Phase IV public infrastructure). The funds would be available to be drawn beginning in April 2013.

The City of Memphis' investment will leverage $22 million of federal HOPE VI funds and over $30 million of private investment for the redevelopment of Cleaborn Homes, which is one of the last traditional, distressed public housing projects in Memphis. This revitalization effort will help catalyze redevelopment of the surrounding area and build on the investments already made by the City and the private sector. The City of Memphis is committed to working with MHA to redevelop the site and we look forward to working closely with MHA to transform the Cleaborn Homes and South Downtown community.

Sincerely,

A C Wharton, Jr.
Mayor

c: Robert Lipscomb, Executive Director HCD/Director MHA
Mairi Albertson, Administrator HCD
Luretha Phillips, Assistant Director MHA HOPE IV
Quincy Jones, HOPE VI Coordinator

July 22, 2013

Pennrose Properties, LLC
Attn: Richard Barnhart
1301 N. 31st St.
Philadelphia, PA 19121

RE: Heritage Landing, Memphis, Tennessee (the "Project")

Dear Richard:

This letter (this "**Letter**") expresses the intent of and summarizes the terms and conditions pursuant to which R4 Capital LLC or one of its affiliates (the "**Limited Partner**") will purchase a limited partnership interest in a to-be-formed Tennessee limited partnership (the "**Partnership**"). The General Partner agrees and acknowledges that all information provided herein shall be true, correct and complete in all material respects.

1. Project Structure.

The Partnership has been formed to acquire, own, develop and operate the Project, which is anticipated to be eligible to claim Low Income Housing Tax Credits ("**Housing Credits**") under Section 42 of the Internal Revenue Code of 1986 (the "**Code**"). The Partnership has received an allocation of credits for the year 2013 (the "**Allocation**") from the Tennessee Housing Development Agency (the "**Credit Agency**").

The key parties involved in the Partnership shall be:

	Party	Name	Ownership Interest in the Partnership
1	The Partnership	To-be-formed	N/A
2	Limited Partner	An affiliate of R4 Capital LLC	99.00%
3	General Partner	Pennrose GP, LLC	1.00%

Neither the General Partner nor any person related to the General Partner may hold any debt owed by the Partnership or allow any permanent debt to be recourse, if such debt was used to finance any items included in the Partnership's Eligible Basis, including the Deferred Developer Fee.

2. Other Project Parties.

A. Developer. Memphis Triangle.

B. Guarantors. Pennrose Properties, LLC and Pennrose Development, LLC. The obligations of the General Partner set forth in the Partnership Agreement, including but not limited to those described herein, shall be guaranteed by the Guarantors.

C. Property Manager. Alco Management, Inc.

D. General Contractor. Capstone Building Corporation. The General Partner shall obtain a fixed price contract for the construction of the Project on terms and conditions and with a general contractor acceptable to the Limited Partner, which contract shall provide for (i) a 100% payment and performance bond or letter of credit for not less than 15% of the fixed price construction contract amount from a banking institution acceptable to the Limited Partner and (ii) a minimum of a 5% total construction cost contingency, 50% of which will be released at 50% Construction Completion (unless a higher amount is required by the Limited Partner after underwriting the Project). It is expected that the hard cost contingency amount will be outside of the construction contract.

The qualifications and financial condition of each of the foregoing parties must be acceptable to the Limited Partner.

3. Unit Matrix and Project Schedule.

A. Unit Matrix. The Project will consist of 67 units in a to-be-determined number of buildings. Of the 67 units, 15 of the units will receive a Public Housing Authority subsidy for period of at least 15 years, and 17 units will be subject to a 20-year Housing Assistance Payment Contract ("HAP") which will be in place prior to Admission of the Limited Partner to the Partnership. It is expected that 53 of the units will qualify for Housing Credits under Section 42 of the Code, all applicable state and federal regulations and the Allocation. The following will be the unit mix and income restrictions of the units:

Unit Type	Number of Units	Income Restrictions
1 Bedroom / 1 Bath	2	60% AMI
2 Bedroom / 1 Bath	2	50% AMI
2 Bedroom / 1 Bath	3	60% AMI
2 Bedroom / 1 Bath	3	Market
2 Bedroom / 1.5 Bath	7	50% AMI
2 Bedroom / 1.5 Bath	17	60% AMI
2 Bedroom / 1.5 Bath	8	Market
3 Bedroom / 2 Bath	2	50% AMI
3 Bedroom / 2 Bath	5	60% AMI
3 Bedroom / 2 Bath	1	Market
3 Bedroom / 2.5 Bath	4	50% AMI
3 Bedroom / 2.5 Bath	9	60% AMI
3 Bedroom / 2.5 Bath	2	Market
4 Bedroom / 3 Bath	2	50% AMI

B. Project Schedule. The construction/lease-up schedule expected for the Project and upon which the credit pricing and deal terms contained herein are calculated is as follows:

Closing Date	Anticipated on or before April 1, 2014
Completion Date	12.5 months after Closing Date, anticipated April 15, 2015
First Unit Leased	12.5 months after Closing Date, anticipated April 15, 2015
Last Unit Leased	18 months after Closing Date, anticipated September 30, 2013

4. Project Financing. It is anticipated that, in addition to the equity to be provided by the Limited Partner, the Project will be financed with the following loans (the "**Loans**"):

   A. Permanent Loans. The following permanent loans (the "**Permanent Loans**") are expected to be made to the Partnership:

      i. First Permanent Loan. A loan in the approximate amount of $3,451,569 will be provided by HOPE VI and Replacement Housing Factor Funds during the construction period and will be paid down to $3,280,465 during the permanent period. This loan will bear no interest with a 600-month term and no amortization, and be payable solely from Cash Flow. A commitment for this loan will be in place prior to admission of the Limited Partner to the Partnership.

      ii. Second Permanent Loan. A loan in the approximate amount of $900,000 will be provided by City of Memphis HOME funds. This loan will bear no interest with a 600-month term and no amortization, and be payable solely from Cash Flow. A commitment for this loan will be in place prior to admission of the Limited Partner to the Partnership.

   B. Other Sources.

      i. City of Memphis CIP Financing. The City of Memphis will provide a grant in the amount of $2,550,000. This amount will be removed from the Housing Credit basis and any taxable income resulting from the Partnership's receipt of this grant will be allocated to the General Partner.

   The terms and conditions of each of the Loans and any other loan to the Partnership will be subject to the Limited Partner's approval. All Permanent Loans must be non-recourse.

5. Tax Credits. The annual amount of Credits under the Allocation is $771,592, of which $763,876 will be allocated to the Limited Partner ("**Limited Partner Credit Share**"). The amount of Credits for which the Project will qualify is based on an Eligible Basis of $12,688,767 ("**Eligible Basis**"), a Qualified Basis of $10,426,284 ("**Qualified Basis**") and an applicable percentage of 7.40% ("**Applicable Percentage**"). The following sets forth the delivery of Credits that the Project and the Limited Partner will claim:

Year	Project's Credits	Limited Partner Credit Share
2015	$353,040*	$349,509*
2016 - 2024	$771,592	$763,876
2025	$418,552	$414,367

*to be adjusted if closing is not consistent with schedule in 3B.

   The pricing provided for in this Letter is, in part, based on the credit delivery set forth above, which is predicated on the project schedule in Section 3B. Any delay in such credit delivery may cause a decrease in the price per credit being paid by the Limited Partner in order to maintain the Limited Partner's internal rate of return. The Project is located in a difficult to develop area and therefore qualifies for a 30% Eligible Basis boost.

6. Capital Contributions. Based on the information set forth herein, the materials you previously submitted and subject to the Limited Partner's satisfactory completion of due diligence (in its sole discretion), the Limited Partner will make aggregate capital contributions (the "**Capital Contributions**") to the Partnership

(subject to adjustment as provided below) of $6,875,000 based on a price of $0.90 per dollar of Limited Partner Credit Share in 6 installments according to the following schedule:

		Amount of Capital Contribution ($)	% of Total Capital Contribution
1	Admission of the Limited Partner to the Partnership	$1,375,000	20%
2	Later of (i) 25% Construction Completion, (ii) 3 months after payment 1, or (iii) July 1, 2014	$1,375,000	20%
3	Later of (i) 50% Construction Completion, (ii) 3 months after payment 2, or (iii) October 1, 2014	$1,375,000	20%
4	Later of (i) 75% Construction Completion, (ii) 3 months after payment 3, or (iii) January 1, 2015	$1,375,000	20%
5	Later of (i) 100% Construction Completion, (ii) 3 months after payment 4, or (iii) April 1, 2015	$687,500	10%
6	Later of (i) Rental Achievement, (ii) 6 months after payment 5, or (iii) October 1, 2015	$687,500	10%

The following are definitions for the terms set forth above in the Capital Contribution schedule. All construction completion thresholds prior to 100% Construction Completion will be based on submissions of AIA forms G702/703 and an inspection by the Limited Partner's engineering consultant ("**Limited Partner Consultant**") and/or the Limited Partner's asset management group as to the progress of the Project, approving the construction and certifying that the work performed to meet such threshold has been permanently made a part of the Project.

A. 100% Construction Completion. 100% Construction Completion will be deemed to have occurred when (i) the Limited Partner has received a certificate from the Project architect and Limited Partner Consultant that the Project has been completed substantially in accordance with the final plans and specifications (the "**Plans**") approved by the Limited Partner, (ii) the Project has received a final certificate of occupancy (or its equivalent) permitting occupancy of the entire Project for its intended use or a temporary certificate of occupancy, in which case 110% percent of the costs of punch list items will be held back, and (iii) the Limited Partner has received a draft certificate from the Project's independent accountant(s) setting forth the initial estimate of the Project's Eligible Basis for Credit purposes and the amount of annual Credits to which the Partnership is entitled.

B. Rental Achievement. Rental Achievement will be deemed to have occurred when (i) all of the Project's permanent financing has closed (or will close simultaneously with payment of the Rental Achievement Capital Contribution), (ii) the Limited Partner has received IRS Form 8609 for each building in the Project, (iii) all of the set-aside apartments in the Project have qualified for Credits, (iv) the Project has maintained a physical occupancy rate of at least 93% and generated net operating income of at least $1.00, for three (3) consecutive months ("**Break-Even Operations**"), (v) the Limited Partner has received a certificate from the Project's independent accountant(s) stating the amount of the first year Credits, Eligible Basis, Qualified Basis, Applicable Percentage, the amount of annual Credits to which the Project

is entitled and the Limited Partner Credit Share. Notwithstanding the foregoing, if the Project achieves Break-Even Operations prior to achieving Rental Achievement, a portion of the Rental Achievement Capital Contribution payment will be advanced early in order to pay such portion of the cash Developer Fee then due, as set forth on Section 8 below.

At the option of the Managing Member, the Managing Member may voluntarily contribute capital to the Company that will be used to establish a reserve that will be drawn down ratably over a 15 year period to provide an additional source of cash with which to pay Project Expenses. For purposes of testing whether the Project has achieved Breakeven, the annual withdrawals from the reserve shall be treated as operating Cash Flow and the projected withdrawal for the first year following the establishment of the reserve shall be treated as operating Cash Flow. The funding of such reserve shall not reduce any obligation of the Managing Member to fund operating deficits of the Project.

7. Adjuster Provisions. The Capital Contributions set forth in Section 6 of this Letter will be subject to the following Credit adjusters:

   A. Credit Adjuster. If the actual amount of annual Credits certified by the Project accountant(s) to be allocable to the Limited Partner is less than the amount set forth above, then the amount of the Capital Contributions to be provided by the Limited Partner will be decreased by $0.90 for each $1.00 that the Limited Partner Credit Share is reduced. If the Project receives an additional allocation of Credits or is otherwise entitled to receive additional Credits more than initially anticipated or underwritten, the amount of the Limited Partner's Capital Contributions will be increased by $0.90 for each $1.00 that the Limited Partner Credit Share is increased (up to a maximum increase of $345,000). If the Limited Partner does not purchase Credits above the cap set forth above, then the Limited Partner will alter the ownership percentages in order to cause the additional Credits to be allocated to the General Partner or its designee. Any adjustment(s) will be reflected in the 100% Construction Completion and/or Rental Achievement Capital Contribution(s), as set forth in the applicable documents.

   B. Timing Adjuster. If any portion of the Limited Partner Credit Share is not received in 2015 or 2016, then the 100% Construction Completion and/or Rental Achievement Capital Contribution(s) will be reduced by $0.65 for each $1.00 that the Limited Partner Credit Share is deferred. If any portion of the Limited Partner Credit Share is delivered before the schedule outlined in Section 5, then the Rental Achievement Capital Contribution will be increased by $0.65 for each $1.00 of tax credit received early, capped at $300,000. In the event that a timing adjuster greater than $300,000 is due, the Limited Partner will have the option to pay the full amount of the adjuster or to adjust the ownership percentages in a manner that reasonably maintains the Limited Partner's internal rate of return.

   Should any downward adjuster be greater than the Rental Achievement Capital Contribution, the amount shall be paid by the General Partner to the Limited Partner on a grossed-up after-tax basis and guaranteed by the Guarantors.

   The amount of the Capital Contributions set forth above was also based upon the assumption that the Partnership will be entitled to claim depreciation deductions of the portion of the Project constituting residential rental property over 27.5 years, site improvements of not less than $41,459 per unit over 15 years and personal property of not less than $3,731 per unit over five years. Without the consent of the Limited Partner, no accelerated depreciation may be elected or, if required, an election to not take accelerated depreciation shall be timely made by the General Partner.

8. Developer Fee. The Developer shall be entitled to a development fee (the "**Developer Fee**") in the amount permitted by the Credit Agency. The Developer Fee shall be paid from the Limited Partner's Capital Contributions (and any other mutually agreed upon sources) in installments mutually agreeable to the Partnership's partners, provided that the payment of the Developer Fee is subordinate to the payment of all of the Partnership's obligations to third parties and deposits into the Replacement Reserve and the Operating Reserve. Subject to the foregoing and provided that the Limited Partner's projections do not show the need for additional sources of funds to complete the Project, 30% of the projected cash Developer Fee will be paid to the Developer upon admission of the Limited Partner to the Partnership, 30% of the projected cash Developer Fee will be paid to the Developer upon 100% Construction Completion, 30% of the projected cash Developer Fee will be paid to the Developer upon attainment of Break-Even Operations and any remaining cash Developer Fee will be paid upon attainment of Rental Achievement. To the extent the Developer Fee has not been paid in full upon the funding of the Rental Achievement Capital Contribution, the remainder of the Developer Fee (the "**Deferred Developer Fee**"), together with interest at the applicable long-term federal rate (the "**AFR**"), will be paid out of Cash Flow as provided below. To the extent the Deferred Developer Fee is not paid by the end of the thirteenth year of the 15-year compliance period, the General Partner shall be obligated to contribute to the Partnership an amount equal to the unpaid Deferred Developer Fee, which obligation shall be guaranteed by the Guarantors and thereafter offset by an allocation of corresponding losses to the General Partner until the General Partner's capital account is reduced by the amount so contributed.

9. Reserves. The Partnership will fund the following reserves:

   A. Replacement Reserve. The Partnership will fund out of Cash Flow a replacement reserve (the "**Replacement Reserve**") in the amount equal to the greater of (i) $300 per unit per year, to be increased by 3% annually, or (ii) such amount as determined necessary by the Limited Partner upon regular reviews of the physical needs and financial circumstances of the Project.

   B. Operating Reserve. An operating reserve (the "**Operating Reserve**") in the amount of $171,000 will be funded at Rental Achievement and replenished up to such amount from Cash Flow to the extent withdrawals are made. No withdrawals may be made from the Operating Reserve (i) until Rental Achievement or (ii) while the Project is maintaining at least break-even operations. The Operating Reserve shall be applied to fund operating deficits prior to any funding under the Operating Deficit Guaranty (as set forth below). Withdrawals from the Operating Reserve shall require the reasonable approval of the Limited Partner.

   C. Lease-Up Reserve. At 50% Construction Completion, the Partnership will fund a lease-up reserve (the "**Lease-Up Reserve**") of $180,000, subject to the Limited Partner's final underwriting. The Lease-Up Reserve will be used to fund operating deficits and lease-up costs until the Limited Partner's Rental Achievement Capital Contribution is made, at which point any remaining balance will be used first to pay down any adjustors due to the Limited Partner and second to be released to the Partnership as Cash Flow to be distributed as per Section 13A of this Letter.

   D. Additional Reserves. An ACC initial operating deficit reserve (the "**ACC Initial Operating Deficit Reserve**") in the amount of $70,000, an ACC reserve (the "**ACC Reserve**") in the amount of $88,000 and an initial operating reserve (the "**Initial Operating Reserve**") in the amount of $70,000 will be funded out of to-be-determined equity installments. The uses of these reserves will be outlined in the Partnership Agreement.

10. Obligations of the General Partner and the Guarantors. The General Partner shall have the following obligations, among others, and the Guarantors shall guarantee these obligations:

A. Completion and Development Deficit Guaranty. The General Partner shall guarantee lien-free completion of the Project in a good and workmanlike condition, substantially in accordance with the Plans by not later than October 15, 2015 (the "**Completion Date**"). The Completion Date is based on an assumed closing date of April 1, 2014, a construction period of 12.5 months and a six-month grace period. The General Partner shall be responsible to pay the amount (the "**Development Deficit**") by which all costs and expenses incurred with respect to the construction and completion of the Project and its operation until Rental Achievement has occurred (together, the "**Development Expenditures**") exceed the funds available to the General Partner from (i) the Capital Contributions, (ii) Cash Flow prior to Rental Achievement, and (iii) financing proceeds which have been approved by the Limited Partner (collectively, (i)-(iii), the "**Development Sources**"). The Development Deficit will be considered a cost overrun, and will not be reimbursable. Payments made under this Completion and Development Deficit Guaranty will not constitute loans to the Partnership and neither the General Partner nor the Guarantors will have any right to receive any repayment on account of such payments.

B. Operating Deficit Guaranty ("ODG"). The General Partner shall be required to loan the Partnership without interest all funds necessary to cover operating deficits ("**Operating Loans**"), which Operating Loans will be interest-free and repayable only out of future available Cash Flow or out of available proceeds of a Capital Transaction, for a period commencing on the expiration of the Completion and Development Deficit Guaranty and ending 60 months after the commencement date (the "**ODG Period**"). Such obligation is after utilizing funds available in the Operating Reserve and, to the extent available for such purpose, the ACC Reserve, provided that the General Partner's maximum aggregate obligation to fund Operating Loans shall be $321,705, after such reserves and other available Partnership reserves have been applied for such purpose. If during the ODG period amounts are withdrawn from the Operating Reserve or the ACC Reserve such reserves shall be replenished from Cash Flow otherwise available to the Partnership during the ODG Period.

C. Recapture Guaranty. If the Limited Partner is allocated Credits less than the Investor Credit Share or Credits allocated to the Limited Partner are recaptured because of actions taken by the General Partner or its affiliates, , the General Partner shall reimburse the Investor Limited Partner on an after-tax basis for any such deficit or recapture of Credits plus any associated penalties, interest or additional taxes due by reason of such payment (a "**Recapture Event**"), unless the same is caused by (w) a change in the Code;(x) the action of the Limited Partner in violation of the Partnership Agreement or (y) a foreclosure of the Project where the grounds for such foreclosure is based on the failure of the Project to generate sufficient revenues to pay mandatory debt service under the mortgage, and such foreclosure is not due to the negligence of, or breach of the Partnership Agreement by, the General Partner, and such foreclosure occurs after the General Partner or Guarantors have fully funded all amounts required to meet the Operating Deficit Cap, or (z) a condemnation or casualty to the Project where the proceeds from such condemnation or casualty are insufficient to rebuild the Project or any portion thereof, provided that such condemnation or casualty and the insufficiency of funds did not result from the negligence of, or breach of the Partnership Agreement by the General Partner. Any amount due under this Recapture Guaranty shall bear interest at the rate of 13% per annum from the date of the Recapture Event until paid.

The Tax Credit Recapture Guaranty set forth herein and above shall apply to amounts due solely to: (a) substantial destruction of any of dwelling units in the Apartment Complex which is not timely repaired due to,

in whole or in part the failure of the Partnership to pay the required insurance premiums to fund the insurance coverage required by the Project Lender; (b) the foreclosure of a Project Loan due to the Managing General Partner's and Developer's failure to fund Excess Development Costs and Operating Deficits as required by this Agreement; or (c) the Managing General Partner fails to maintain the tenant base and rent levels of the Apartment Complex at levels meeting the applicable qualification criteria for the Tax Credits (unless such failure is the result of circumstances beyond the General Partner's control or the Agency or another governmental agency with jurisdiction over the Apartment Complex requires the Partnership to violate the aforementioned tenant criteria).

D. Repurchase. At the election of the Limited Partner, the General Partner shall be required to permit the Limited Partner or an affiliate to become the General Partner of the Partnership or to repurchase the equity interests of the Limited Partner for an amount equal to (i) 100% of the Capital Contributions paid to date, plus (ii) an amount equal to 7% of the total scheduled Capital Contributions of the Project, plus (iii) interest on (i) and (ii) at the Prime Rate from the date of payment of the initial Capital Contribution, if (a) construction of the Project is not completed by 18 months after the Completion Date, (b) prior to Rental Achievement there is an uncured default under or termination of any financing document or commitment or any other material document, (c) a foreclosure action is commenced against the Project prior to Rental Achievement, (d) a Form 8609 for each building is not delivered within 24 months following 100% Construction Completion or (e) prior to Rental Achievement certain other events occur which could impair the ability of the Partnership to claim the Credits and allocate to the Limited Partner the Limited Partner Credit Share.

E. Environmental Indemnification. The General Partner and the Guarantors, jointly and severally, shall indemnify the Partnership and the Limited Partner with respect to the presence of hazardous materials in, on or about the Project including all compliance, clean-up and remediation costs (if applicable). The loss of value of the Project due to an environmental condition would be deemed to be a claim available to the Limited Partner. This obligation will be more specifically set forth in the Partnership Agreement and other related documents.

11. Management Fee. Alco Management, Inc. will be the Project's initial property manager. The Property Manager will enter into a property management agreement (the "Management Agreement") with the Partnership subject to commercially reasonable terms and conditions including a management fee acceptable to HUD (the ""Management Fee"). The Management Agreement may not be terminated without cause. If cause for termination of the Management Agreement exists, the General Partner shall terminate the Management Agreement with consent of the Limited Partner, not to be unreasonably withheld. Any successor replacement property manager and the terms of the Management Agreement must be approved by the Limited Partner.

12. Allocation of Tax Credits, Depreciation, Profits and Losses. The Credits, depreciation, operating profits and losses will be allocated in accordance with the percentage interests of the Partnership's partners.

13. Distributions.

A. Cash Flow Distributions. For the period prior to Rental Achievement but not longer than six months following 100% Construction Completion, cash flow of the Partnership ("**Cash Flow**") after paying all expenses in connection with the development of the Project will be paid to the General Partner as an incentive fee ("**Lease-Up Fee**"). Thereafter, Cash Flow after operating expenses, mandatory debt

service and any reserves that may be required by the Limited Partner or by any lender under the Loans will be distributed in the following order of priority:

i. to repay any loans made by any partner of the Partnership other than the General Partner;
ii. to pay any outstanding portion of the Deferred Developer Fee and accrued interest;
iii. to repay any Operating Loans;
iv. to pay any outstanding principal and interest on soft loans to the extent of 100% of Cash Flow;
v. the balance 90% to the General Partner and 10% to the Limited Partner.

B. Proceeds of Sale or Refinancing. Net proceeds of a sale or refinancing (each, a "**Capital Transaction**") will be distributed in the following order of priority:

i. to pay expenses of such Capital Transaction, debts and obligations of the Partnership, and establish necessary reserves;
ii. to repay any other loans made by the Partnership's partners other than those made to pay for obligations of the General Partner;
iii. to pay any outstanding portion of the Deferred Developer Fee and accrued interest;
iv. to repay any other loans made by the General Partner or the Guarantors pursuant to their obligations hereunder; and
v. the balance 90% to the General Partner and 10% to the Limited Partner.

Proceeds on liquidation of the Partnership shall be made in accordance with (i) through (iv) above, and then to the partners to the extent necessary to eliminate any positive balance in their capital accounts, and then in accordance with (v) above.

14. Rights of Limited Partner. The consent of the Limited Partner will be required for, among other things: (i) a Capital Transaction involving the Project, (ii) the withdrawal, admission or substitution of the General Partner, and (iii) the sale, assignment, encumbering or pledging of the General Partner's interests in the Partnership, except to a related party of the General Partner.

Furthermore, the Limited Partner will have the right to remove the General Partner and eliminate the General Partner's interest in the Partnership if certain events set forth in the Partnership Agreement occur, including if: (i) the General Partner violates its fiduciary responsibilities, as shall be set forth in the Partnership Agreement, as agreed by the parties, (ii) the General Partner or the Partnership breaches its respective obligations and commitments, (iii) the General Partner or the Guarantors becomes bankrupt, (iv) the Project has sustained a loss of more than 10% of the Credits, or (v) the Project is subject to foreclosure or has materially breached documents encumbering the Project.

15. Limited Partner Review. As set forth in the Partnership Agreement, the Limited Partner will have the right to inspect the Project during and after construction and to review construction loan disbursement requests and other financial and operations matters of the Project and the Partnership.

16. Reporting Requirements. The Partnership will prepare and deliver to the Limited Partner (a) quarterly unaudited financial statements to be delivered within 30 days after the end of each quarter of the fiscal year; (b) annual audited financial statements to be delivered within 60 days after the end of each fiscal year; (c) an annual budget for each fiscal year to be delivered not later than November 1 of the preceding year; and (d) the Partnership's draft tax returns and K-1 forms to be delivered within 45 days after the end of each fiscal year. The independent accountant(s) for the Partnership may be chosen by the General Partner, subject to the Limited Partner's prior approval.

17. Conditions Precedent. The Limited Partner's investment in the Partnership in accordance with the terms of this Letter is subject to satisfaction (in the Limited Partner's sole and absolute discretion) of the following conditions precedent (the "**Conditions Precedent**"):

    A. the Limited Partner's receipt and approval of all due diligence requested pursuant to the Limited Partner's due diligence list;
    B. the negotiation of a final partnership agreement governing the Partnership (the "**Partnership Agreement**") and related documents;
    C. evidence of the required approval of the Project by any necessary governmental entity;
    D. the Limited Partner's receipt and approval of current financial statements (prepared in accordance with generally accepted account principles) and a real estate owned schedule for the General Partner and the Guarantors ;
    E. the Limited Partner's receipt of corporate and tax opinions rendered by counsel to the General Partner satisfactory to the Limited Partner, in form and substance acceptable to the Limited Partner;
    F. evidence of insurance in accordance with the requirements set forth by the Limited Partner;
    G. such other materials as are reasonably required by the Limited Partner as part of its customary financial and legal due diligence review, including such information reasonably required for inclusion in a registration statement, supplement, other offering materials prepared for the Limited Partner, or any report required to be filed with any governmental authority; and
    H. approval of the Limited Partner's internal investment committee and satisfaction of such other conditions as may be required as a condition to such approval.

18. Transfer of Limited Partner Interest. The Limited Partner will have the right to transfer its interest in the Partnership, and to have the transferee admitted as a substitute limited partner: (i) to any affiliate of the Limited Partner, (ii) to any other person or entity provided that (A) the Limited Partner will remain liable to make all capital contributions outstanding at the time of the transfer or (B) the net worth of the proposed transferee will be acceptable to the General Partner in its reasonable discretion, or (iii) to a partnership or limited liability company in which the Limited Partner is the general partner or managing member.

19. Transfer of General Partner Interest. The General Partner shall not sell, transfer, assign, pledge or encumber any portion of its interest in the Partnership without the prior written consent of the Limited Partner. No change in control of the General Partner will be allowed without the consent of the Limited Partner.

20. Bank Accounts. All bank accounts of the Partnership will be maintained with an accredited banking institution acceptable to the Limited Partner.

21. Changes. Any change to the information provided to us, or any change to our assumptions after our due diligence review, could affect our financial projections and thus the amount and terms of the Capital Contributions. The Limited Partner has predicated the proposed terms contained in this Letter on the financial projections it has prepared, which are based upon the financial and other information furnished by the General Partner or its agents, as well as certain assumptions of the federal income tax consequences of this transaction. Many regulations remain to be issued under various tax acts and many tax provisions contain ambiguities. The issuance of regulations or other resolution of such ambiguities, or any other changes in these tax assumptions, could affect the financial projections and thus, the amount and terms of the Capital Contributions.

22. Tax Disclosure. Notwithstanding anything to the contrary contained in the Partnership Agreement or any other agreement between the parties hereto, or in any offering materials pertaining to the Project, the

Limited Partner and each officer, employee, representative or agent of the Limited Partner may disclose to any and all persons, without limitation of any kind, (i) the tax treatment and tax structure of the Partnership and any of the Partnership's transactions or activities, and (ii) all materials of any kind (including opinions and tax analysis) that are provided to the Limited Partner regarding its investment in the Partnership and/or such transactions or activities of the Partnership. This authorization as to tax disclosure is effective retroactively to the commencement of any discussions between the parties hereto or any of their agents or representatives.

23. Exclusivity. The General Partner acknowledges that the Limited Partner will expend significant effort and expense in connection with its Project review and due diligence and may forego other investment opportunities as a result thereof. The General Partner agrees that it will not solicit or entertain any offers by other parties to acquire an equity interest in the Partnership unless and until the Limited Partner has notified the General Partner in writing that the Limited Partner is not prepared to proceed with this transaction. The Limited Partner shall make such determination within 45 days after the submission by the General Partner of all items required by the Limited Partner to complete its due diligence.

24. Transaction Expenses. In addition to any expenses that are the responsibility of the General Partner, if the transaction does not close due to the bad faith actions of the General Partner, or the inability of the General Partner to satisfy the Conditions Precedent contained herein, the General Partner shall be responsible for the legal costs incurred by the Limited Partner. Additionally, at the time of closing, the General Partner shall reimburse the Limited Partner for a portion of its legal and due diligence fees in an amount equal to $25,000.

[Signature Page to Follow]

This Letter is not binding to the Limited Partner, as the Limited Partner's potential equity investment in the Project summarized herein remains subject to approval from the relevant internal committees of the Limited Partner with respect to any such investment.

Please indicate your agreement and acceptance of the foregoing by signing the enclosed copy of this Letter and returning it to the undersigned by August 2, 2013. If you have not done so by such date, the proposal contained in this Letter shall expire and be of no further effect. It is also understood that the economic terms outlined herein shall remain valid for 300 days from the date hereof. Should closing of the transaction occur after such date, such terms are subject to renegotiation by the Limited Partner. We look forward to working with you on this transaction.

Very truly yours,

R4 CAPITAL LLC

By: _____
Name: Jay R. Segel
Title: Executive Vice President

AGREED AND ACCEPTED THIS
23 **day of** July **2013**

Pennrose Properties, LLC

By: _____
Name: Richard K. Barnhart
Title: Chairman and CEO

GUARANTORS

Pennrose Properties, LLC

By: _____
Name: Richard K. Barnhart
Title: Chairman and CEO

Pennrose Development, LLC

By: _____
Name: Richard K. Barnhart
Title: Chairman and CEO

Department of
Housing Preservation
& Development
nyc.gov/hpd

VICKI BEEN
Commissioner

ERIC ENDERLIN
Deputy Commissioner

SUSAN KENSKY
Assistant Commissioner

Office of Development
New Construction
100 Gold Street
New York, N.Y. 10038

June 25, 2014

Oceanhill, LLC
c/o Blue Sea Development
164 Main Street
Huntington, New York 11743
Attn: Les Bluestone

HP PPN Housing Development Fund Company, Inc.
c/o Housing Partnership Development Corporation
242 West 36th Street
New York, NY 10018
Attn: Daniel Marks Cohen

Re: Prospect Plaza Site 1
1765 Prospect Place
Block 1458, Lot 52
Brooklyn, New York
(the "Property")

Dear Sirs:

The City of New York (the "City"), acting by and through its Department of Housing Preservation and Development ("HPD") is pleased to inform you that it will make construction and permanent mortgage loans described below on the captioned property and the improvements now or hereafter thereon (the "Property") in participation with construction and permanent loans to be provided by the New York City Housing Development Corporation ("HDC"), with a letter of credit provided by Bank of New York Mellon, National Association. ("BNY Mellon"), and construction and permanent loans from the New York City Housing Authority ("NYCHA"), subject to satisfaction of the terms of this letter (including the General Conditions and the Special Conditions annexed hereto) and subject to the availability of federal funds (hereinafter, the "Commitment").

The loans will provide financing for the development of two buildings on the Property that will contain one hundred ten (110) residential rental apartment units, inclusive of one (1) superintendent's unit and parking (the "Project").

The HPD construction loan shall be used solely to fund residential construction work attributable to the Project. The HPD Construction Loan consist of federal funds provided under the federal HOME Investments Partnership Act and shall be made pursuant to Section 99-h and Article XXII of the Private Housing Finance Law of the State of New York ("HPD Construction Loan"). Upon completion of construction and satisfaction of all other applicable terms of this Commitment, the HPD Construction Loan will convert to permanent financing, subject to the terms of this Commitment.

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A. Description of Property:

The site is a vacant NYCHA-owned parcel consisting of one tax lot (Block 1458, Lot 52) located at 1765 Prospect Place in Brooklyn.

The Project, upon completion of construction, will consist of two (2) buildings that will provide 110 residential rental units in aggregate: Building 1A, a four-story walk-up building containing thirty-two (32) residential rental units; and Building 1B, a 6-story elevator building containing seventy-eight (78) residential rental units. The residential units will be distributed as follows: eighteen (18) one-bedroom units; eighty-five (85) two-bedroom units; six (6) three-bedroom units; and one (1) two-bedroom superintendent's unit. In addition, the Project will include twenty eight (28) at-grade parking spaces and a courtyard to the rear of Building 1B.

B. Mortgagor/Borrower:

The borrower is Oceanhill, LLC ("Borrower"), which consists of PPD Partners LLC (managing member with 0.001% ownership interest), Red Stone – Fund 31 Limited Partnership (investment member with 99.99% ownership interest), and Red Stone Equity Manager, LLC (special investor member with 0.009% ownership interest). The members of PPD Partners LLC are Blue Sea Development Company, LLC (managing member with 21.07% ownership interest), Duvernay + Brooks LLC (10.54% ownership interest), Pennrose LLC (10.54% ownership interest), Rosenberg Housing Group Corporation (6.85% ownership interest) and HP PPN Housing Development Fund Company, Inc. (with 51% ownership interest), a housing development fund company organized pursuant to Article XI of the Private Housing Finance Law of New York State (the "HDFC"). The members of Blue Sea Development Company, LLC are Les Bluestone (50% ownership interest) and Avery Seavey (50% ownership interest). Joni Brooks is the sole member of Duvernay + Brooks LLC. The members of Pennrose LLC are Richard Barnhart (45% ownership interest), Mark Dambly (45% ownership interest) and Tim Henkel (10% ownership interest). The sole shareholder of Rosenberg Housing Group Corporation is Robert Rosenberg. The directors of the HDFC are Daniel E. Martin, Nadja Alvarado, and Shelia S. Martin.

The fee interest in the Property is owned by NYCHA. At the construction loan closing the HDFC and the Borrower will enter into a 99-year ground lease with NYCHA for the Property which shall be in form and substance satisfactory to HPD ("Ground Lease"). The HDFC and the Borrower will enter into a Declaration of Interest and Nominee Agreement with respect to the Project which shall be in form and substance satisfactory to HPD whereby the HDFC will own legal title to the leasehold interest in the Project and the Borrower (or "Beneficial Lessee") will own the beneficial and equitable interest to the leasehold interest in the Project during the term of ground lease. Pursuant to the Ground Lease, the existing and to be constructed improvements will be owned by the HDFC as nominee of Beneficial Lessee which shall own the beneficial and equitable interest in the improvements.

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The Mortgagors will be the HDFC and the Borrower.

C. **Construction Loan:**

1. **Construction Lenders:** The construction of the Project will be financed with loans provided by HDC, HPD and NYCHA (collectively, the "Construction Loan"), as described below. BNY Mellon will provide construction period credit enhancement for the HDC First Construction Loan.

2. **Construction Loan Amounts:**

HDC First Construction Loan	$	22,490,000
HDC Second Construction Loan	$	4,680,000
HPD Construction Loan	$	1,837,436
NYCHA Construction Loan A	$	7,362,500
NYCHA Construction Loan B	$	2,189,892
Total	$	38,559,828

3. **Interest Rates:**

HDC First Construction Loan	
Long-Term Bond Amount	5.05%
Short-Term Bond Amount	2.25%
HDC Second Construction Loan	1.25% (includes 0.25% servicing fee)
HPD Construction Loan	0.75% (includes 0.25% servicing fee)
NYCHA Construction Loan A	0.25%
NYCHA Construction Loan B	0.25%

4. **Construction Loan Closing Date**: No later than June 30, 2014. If there has been no closing of the HPD Construction Loan by this date, this Commitment shall terminate without notice to you and, in this event, HPD shall have no further liability or obligation to you.

5. **Construction Completion Date:** No later than twenty-four (24) months after the closing of the HPD Construction Loan.

6. **Permanent Conversion Date:** Six (6) months after the Construction Completion date. If there has been no closing of the HPD Permanent Loan by this date, then HPD shall have no obligation to provide the Permanent Loan, and, at HPD's election, the HPD Construction Loan shall be due and payable. Notwithstanding the foregoing, an extension of the Permanent Conversion Date in the loan documents, between the Borrower and BNY Mellon and/or HDC of up to six (6)

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months shall be deemed to extend the Permanent Conversion Date herein correspondingly.

7. **Required Insurance Amount:** $38,559,828

8. **Completion Guarantee:**
Blue Sea Construction Co, LLC shall execute and deliver to BNY Mellon a 100% completion guaranty to be in form and substance acceptable to HPD.

9. **Security:**

HDC First Construction Loan	Secured by a first leasehold mortgage
HDC Second Construction Loan	Secured by a second leasehold mortgage
HPD Construction Loan	Secured by a third leasehold mortgage
NYCHA Construction Loan A	Secured by a fourth leasehold mortgage
NYCHA Construction Loan B	Secured by a fourth leasehold mortgage

10. **Advance and Retention**: The HPD Construction Loan and the HDC Construction Loans shall be advanced in accordance with the attached Mortgage Schedule, subject to ten percent (10%) retention of each advance of hard costs until the final advance. Retainage may be reduced to five percent (5%) retention on further advances of the hard costs following the point of fifty percent (50%) of Project pending the satisfaction of the completion of improvements, at BNY Mellon's discretion and HPD notification. Subject to the availability of HPD funds, the HPD Construction Loan shall be advanced dollar for dollar with the HDC and NYCHA Construction Loans. No advances shall be made in excess of the mortgageable amounts set forth in the Mortgage Schedule without HPD's express written consent.

11. **Construction Loan Documents:** All documents executed at or in connection with the Construction Loan closing, including, by way of example, building loan notes and mortgages, building loan agreement, and construction contract shall be in form and substance satisfactory to HPD.

12. **Construction Loan Participation Agreement:** HDC and HPD must execute a mutually satisfactory Construction Loan Participation Agreement, which shall set forth the relative rights and obligations of the parties with respect to the participation in the construction loans.

13. **Construction Servicer:** The HPD Construction Loan shall be serviced by BNY Mellon pursuant to a Servicing and Release Agreement among HDC, HPD, NYCHA, the Borrower and BNY Mellon.

14. **Regulatory Agreement:** At the construction loan closing, the Mortgagor shall enter into a Regulatory Agreement with HPD and HDC to be recorded against the

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Property, which shall set forth, among other things, marketing requirements, initial rents, and maximum tenant incomes. The Regulatory Agreement shall be on such terms and conditions satisfactory to HPD and HDC in all respects.

15. **Tax Exemptions:** The Mortgagor shall have furnished HPD with an opinion letter stating that the residential portion of the Property will be eligible for real estate tax exemption benefits under Section 420-c of the Real Property Tax Law of the State of New York, together with evidence acceptable to HPD that all such materials have been submitted to the appropriate governmental offices.

16. **Subordinate Financing:** No other subordinate financing encumbering the Project shall be allowed at any time following the Construction Loan Closing without the prior written consent of HPD.

D. Permanent Loan:

Permanent financing for the Project will consist of: (i) partial paydown of the HDC First Construction Loan from tax credit equity or other HPD loan and Borrower funds; (ii) conversion of remaining portion of the HDC First Construction Loan to the HDC First Permanent Loan; (iii) conversion of the HDC Second Construction Loan to the HDC Second Permanent Loan; (iv) conversion of the HPD Construction Loan and an increase in the total loan amount to the HPD Permanent Loan ("HPD Permanent Loan"); (iv) conversion of NYCHA Construction Loan A to NYCHA Permanent Loan A ("NYCHA Permanent Loan A"); and (v) conversion of NYCHA Construction Loan B to NYCHA Permanent Loan B ("NYCHA Permanent Loan B"). The HDC, HPD and NYCHA Permanent Loans are collectively referred to as the "Permanent Loan". Permanent financing will be provided on the following terms by HDC and HPD.

1. **Borrower/Mortgagor:** The borrower for the permanent financing shall be Oceanhill, LLC (the "Borrower"). The mortgagors shall be the HDFC and Oceanhill, LLC, (collectively, the "Mortgagor").

2. **Lenders:** The permanent lenders for the Project shall be HDC, HPD and NYCHA.

3. **Permanent Loan Amounts:**

HDC First Permanent Loan	$	2,710,000
HDC Second Permanent Loan	$	4,680,000
HPD Permanent Loan	$	6,600,000
NYCHA Permanent Loan A	$	7,362,500
NYCHA Permanent Loan B	$	2,189,892
Total	$	23,542,392

4. **Interest Rates:**

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HDC First Permanent Loan	5.75% per annum (inclusive of servicing fee and mortgage insurance)
HDC Second Permanent Loan	1.00% per annum (inclusive of servicing fee)
HPD Permanent Loan	1.00% per annum (0.50% paid monthly, 0.50% deferred and accrued)
NYCHA Permanent Loan A	0.25% per annum (deferred and accrued)
NYCHA Permanent Loan B	0.25% per annum (deferred and accrued)

5. **Terms:**

HDC First Permanent Loan	30 Years
HDC Second Permanent Loan	30 Years
HPD Permanent Loan	30 Years
NYCHA Permanent Loan A	40 Years
NYCHA Permanent Loan B	40 Years

6. **Repayment Terms (After Permanent Conversion):**

a) HDC First Permanent Loan: Fully amortizing with monthly payments of interest and principal in the amount of $15,815.

b) HDC Second Permanent Loan: Interest-only with monthly payment of interest in the amount of $3,900 with a 100% balloon payment for the principal amount of $4,680,000 due at the end of the 30 year term.

c) HPD Permanent Loan: Monthly interest payments in the amount of $2,750. A balloon payment for the principal and deferred and accrued interest in the amount of $7,530,757 (of which $6,410,000 will be principal and $1,120,757 will be interest) due at the end of the 30 year term.

d) NYCHA Permanent Loan A: Monthly payments of interest deferred and accrued with a 100% balloon payment for the principal and compound interest in the amount of $8,136,736 (of which $7,362,500 will be principal and $774,236 will be interest) due at the end of the 40 year term. Payments may be made from surplus cash flow per Master Development Agreement described hereinafter (see Section E. subsection 7)

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e) NYCHA Permanent Loan B: Monthly payments of interest deferred and accrued with a 100% balloon payment for the principal and compound interest in the amount of $2,420,180 (of which $2,189,892 will be principal and $230,288 will be interest) due at the end of the 40 year term. Payments may be made from surplus cash flow per Master Development Agreement described hereinafter (see Section E. subsection 7)

7. **Security:** The HPD Permanent Loan shall be evidenced and secured by mortgages on the Project subordinate in lien to the notes and mortgages held by HDC:

HDC First Permanent Loan	secured by a first leasehold mortgage.
HDC Second Permanent Loan	secured by a second leasehold mortgage.
HPD Permanent Loan	secured by a third leasehold mortgage.
NYCHA Permanent Loan A	secured by a fourth leasehold mortgage.
NYCHA Permanent Loan B	secured by a fourth leasehold mortgage.

8. **Occupancy Upon Completion of Construction:**

a) Upon completion of construction, the units shall be rented up to the maximum initial rents set forth in the Special Conditions attached hereto.

b) The Mortgagor shall make application to New York State Homes & Community Renewal or any successor agency for the registration of all units in the Project under the Rent Stabilization Law.

c) The Mortgagor shall deliver to HPD evidence reasonably satisfactory to HPD that the aggregate residential rent roll of the 50% AMI Non-Public Housing Units and 60% AMI Non-Public Housing Units described hereinafter on the Permanent Loan Closing Date (without regard to vacancies or a vacancy factor) will not be less than **$837,084** or such lesser amount as approved by HDC and HPD as necessary to convert the HDC First Construction Loan to the HDC First Permanent Loan.

d) Thirty-eight (38) residential rental units shall be made available to persons referred by NYCHA including former residents of the Property (the "Public Housing Units").

(i) Thirty-eight (38) Public Housing Units will be rented to households earning up to 60% of Area Median Income ("60% AMI Public Housing Units") as delineated in the Special Conditions to Mortgage Loan attachment to the Commitment

e) Sixty-three (63) residential rental units will be rented to households earning up to 60% of Area Median Income ("60% AMI Non-Public

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Housing Units"), and eight (8) residential rental units will be rented out to households earning up to 50% of Area Median Income ("50% AMI Non-Public Housing Units"), as delineated in the Special Conditions to Mortgage Loan attachment to the Commitment. There will be one (1) rent free superintendent's unit.

(i) All of the 60% AMI Non-Public Housing Units and 50% AMI Non-Public Housing Units will be subject to rent stabilization.

E. Other Terms:

1. **Servicing:** The HPD Permanent Loan shall be serviced by HDC pursuant to the Permanent Loan Servicing Agreement between HPD and HDC.

2. **Loan Documents:** All documents executed at or in connection with the permanent loan closing shall be in form and substance satisfactory to HPD.

3. **Prepayment:** The HPD Permanent Loan may not be prepaid prior to the 5th anniversary of the Permanent Conversion Date.

4. **Capital Contribution:** The Project shall receive an additional capital contribution from PPD Partners LLC in the amount of $132,000 which shall be used to pay down the portion of the HDC First Construction Loan allocated to fund residential construction costs.

5. **Subordinate Financing:** No other subordinate financing shall encumber the Project without the written consent of HDC and HPD.

6. **HOME Rider and Written Agreement:** Mortgagor shall be subject to all the terms and conditions contained in the HOME Rider annexed hereto and made part hereof. In addition, at the Construction Loan Closing, Mortgagor shall execute an agreement in form and substance satisfactory to HPD setting forth requirements under the HOME Investments Partnership Program ("HOME Written Agreement"), pursuant to Title II of the Cranston-Gonzalez National Affordable Housing Act of 1990 and implementing regulations at 24 CFR Part 92 (collectively, the "Act"). The property shall become subject to the terms, covenants, and conditions contained in the HOME Written Agreement. The HOME Written Agreement shall set forth, among other things, rental and income affordability requirements required under HOME for the forty (40) HOME-assisted units. The HOME Written Agreement regulatory restrictions shall be for a term of twenty (20) years.

7. **Surplus Cash Flow:** Surplus cash flow shall be deposited to a reserve account on the terms and conditions more particularly described in the Master Development Agreement between NYCHA and PPD Partners LLC ("MDA") which terms and

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conditions shall be satisfactory to HPD in all respects and which may not be amended without the prior written consent of HPD.

8. **Architect's Certifications:**

   a) As a condition for Construction Loan closing, Mortgagor shall cause its architect to execute a certification to HPD stating that in the architect's professional opinion, if the project is constructed in accordance with the HPD-approved plans, the completed building(s) in the Project will be in compliance with the construction and design requirements contained in Chapter 11 of the New York City Building Code and Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and implementing regulations at 24 CFR Part 8, and the Federal Fair Housing Act (FHA). The certificate shall also indicate the FHA safe harbor upon which compliance with the FHA is based.

   b) As a condition for Permanent Loan closing, Mortgagor shall cause its architect to execute a certification to HPD stating that in the architect's professional opinion, the completed building(s) in the Project are in compliance with the construction and design requirements contained in Chapter 11 of the New York City Building Code and Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and implementing regulations at 24 CFR Part 8, and the Federal Fair Housing Act (FHA). The certificate shall also indicate the FHA safe harbor upon which compliance with the FHA is based.

9. **Reporting Requirements:**

   a) The Project is subject to the requirements of §§26-901 – 26-905 (Chapter 10 of Title 26) of the Administrative Code of the City of New York. Pursuant to such law, HPD must make the information listed on the attached Schedule A ("Required Information") available on its website.

   b) The Mortgagor shall provide HPD with the Required Information for the Project in the form to be provided by HPD and submit it to HPD on the date of closing and again with new and updated Requirement information on (i) every January 30 and July 30 thereafter (commencing on whichever date is the first to occur after closing) until completion of construction, and (ii) on the date of the permanent loan conversion.

10. **No Assignment:** Any assignment or attempted assignment of this Commitment, or material change in the principals constituting the Mortgagor, whether by operation of law or otherwise, or, if this Commitment is made to a corporation or other entity, any change or transfer of ownership interest therein, shall be void

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unless the written consent of HPD shall first be had and obtained. HPD may, in such event, terminate this Commitment.

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If this Commitment and the provisions and conditions attached hereto are acceptable to you, please date and sign each of the five (5) enclosed copies of this Commitment and have your signature acknowledged by a notary public on the attached page. Also, please initial each page of the general conditions and the HPD Mortgage Schedule, and return two signed copies of the Commitments with attachments to HPD, Attention Anthony Richardson, Director of Multifamily New Construction Programs, Office of Development, 100 Gold Street, Room 9-I5, New York, New York 10038. If such copies have not been received by HPD within five (5) days after the date of this Commitment, this Commitment shall be deemed terminated and of no force and effect.

Sincerely,

THE CITY OF NEW YORK, acting through its DEPARTMENT OF HOUSING PRESERVATION AND DEVELOPMENT

By: _____
Susan Kensky
Assistant Commissioner

Accepted and Agreed to:

Oceanhill, LLC,
a New York limited liability company
By: PPD Partners LLC, a New York limited liability company, its Managing Member
By: Blue Sea Development Company, LLC, its Managing Member

By:_____
Name: Les Bluestone
Title: Member

HP PPN Housing Development Fund Company, Inc.
a New York not-for-profit corporation

By:_____
Name: Daniel Marks Cohen
Title: Vice President

Attachments:
Special Conditions to HPD Mortgage Loan Commitment
General Conditions to HPD Mortgage Loan Commitment
HOME Rider
Mortgage Schedule

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STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

On the 27th day of June in the year 2014, before me, the undersigned, a Notary Public in and for said State, personally appeared **Susan Kensky**, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her capacity, and that by her signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

NOTARY PUBLIC
BENJAMIN STEINER
NOTARY PUBLIC, STATE OF NEW YORK
NO. 02ST6043316
QUALIFIED IN NEW YORK COUNTY
COMMISSION EXPIRES JUNE 12, 2018

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HDFC ACKNOWLEDGMENT

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

On the _____ day of June in the year 2014 before me, the undersigned, personally appeared **DANIEL MARKS COHEN** personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her capacity, and that by his/her signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

_____
Notary Public

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LIMITED LIABILITY COMPANY ACKNOWLEDGMENT

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

On the _____ day of June in the year 2014 before me, the undersigned, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her capacity, and that by his/her signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

_____
Notary Public

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SPECIAL CONDITIONS TO HPD MORTGAGE LOAN COMMITMENT

Project: Prospect Plaza Site 1
1765 Prospect Place
Brooklyn, NY
Block 1458 / Lot 52

1. HPD shall have approved the proposed layouts, specifications and underwriting for the Project.

2. The Mortgagor shall enter into a Regulatory Agreement with HPD and HDC at the construction closing, which Regulatory Agreement shall govern the initial marketing of apartments in the project, tenant selection and income certification, rents and their registration, conversion limitations and other matters with regard to the Property. The Regulatory Agreement shall be recorded against and run with the Property. The Regulatory Agreement shall be on such terms and conditions satisfactory to HPD in all respects. HPD's regulatory restrictions shall be in effect for sixty (60) years.

3. The Mortgagor shall comply with the HPD procedures pertaining to (i) the initial marketing of the apartments in the project if applicable, and (ii) the certification of all tenants' income prior to initial occupancy during the period covered by a Regulatory Agreement.

4. This commitment is contingent upon (i) the execution of a Commitment from HDC to provide construction and permanent financing, (ii) evidence satisfactory to HPD that the Project is eligible for and shall receive an allocation of Low Income Housing Tax Credits from HPD, and (iii) evidence satisfactory to HPD that the Project is eligible for and shall receive an abatement of or exemption from real estate taxes under Section 420-c of the New York State Real Property Tax Law, or another provision of law granting similar benefits and (iv) such other evidence as shall be required by HPD that Borrower has (or shall, when needed, have) sufficient funds available from sources and on terms acceptable to HPD to complete and operate the Project.

5. **Enterprise Green Communities Certification:**

   This commitment and the construction and permanent loans described hereunder are conditioned on Mortgagor participating in the Enterprise Green Communities Program administered by Enterprise Community Partners ("Enterprise"), as follows:

   a) Prior to Construction Loan closing, Mortgagor shall apply for and receive Enterprise's approval to proceed to the final phase for obtaining Enterprise Green Communities Green Program certification for the project.

   b) Following completion of construction and prior to Permanent Loan closing, Mortgagor shall apply for and receive Enterprise's confirmation to the Mortgagor

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that the Mortgagor's application to obtain Green Communities Program certification is complete.

6. **Rents:**

A. Definitions

"50% of AMI" shall mean 100% of the income levels as modified by household size for the New York metropolitan statistical area for fifty percent (50%) of median income families (a.k.a. as "very low income families") as determined from time to time by HUD under Section 8 of the United States Housing Act of 1937 (or, if such program is terminated, under such program as was in effect immediately before such termination).

"60% of AMI" shall mean 120% of the income levels as modified by household size for the New York metropolitan statistical area for fifty percent (50%) of median income families (a.k.a. as "very low income families") as determined from time to time by HUD under Section 8 of the United States Housing Act of 1937 (or, if such program is terminated, under such program as was in effect immediately before such termination).

"Actual Rent" shall be the rent that appears on the lease and that may be collected by the Mortgagor (i.e., it shall include the rent paid by the tenant and any rental subsidy).

"AMI" shall mean the area median income for the primary metropolitan statistical area as determined by the United States Department of Housing and Urban Development or its successors ("HUD") from time to time for a family of four, as adjusted for family size.

"Annual Income" shall mean (1) when referring to the income of one tenant, the current gross income of such tenant and (ii) when referring to the income of a Household, the current gross income of all individuals in the Households, calculated in each instance in a manner consistent with the determination of low income families under Section 8 of the United States Housing Act of 1937, as amended (or, if such program is terminated, under such program as was in effect immediately before such termination).

"Eligible Tenant" shall mean a tenant who meets the income restrictions and other requirements set forth in Section 142 of the Tax Code, as applicable.

"FMR" shall mean the fair market rent as determined by HUD for the New York metropolitan area that is in effect as of the date of the relevant rent determination.

"Income-Restricted Unit" shall mean a Tax Code Income-Restricted Unit.

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"Occupancy Restriction Period" shall mean a minimum of 60 years from the date that is the later of (i) the date that 10% of the units are first occupied after completion of construction, or (ii) the date of issuance of the HDC bonds.

"Section 8" shall mean a federal rental subsidy pursuant to the Section 8 housing choice voucher program, the Section 8 rental certificate program, the Section 8 project-based rental assistance program, or any successor programs under the United States Housing Act of 1937.

"Section 8 Rent" shall mean the maximum rent eligible to be subsidized under the applicable Section 8 program.

"Section 8 Unit" shall mean a unit occupied by a tenant receiving a Section 8 voucher or certificate or a unit subject to the Section 8 project-based rental assistance program.

"Tax Code" shall mean the Internal Revenue Code of 1986, as may be amended, and any rules or regulations promulgated under the statute.

"Tax Code Unit" shall mean any unit that is occupied by a tenant who qualified as an Eligible Tenant pursuant to Sections 42 and 142 of the Tax Code, as applicable, prior to initial occupancy. In particular, a Tax Code Unit shall mean a 60% of AMI Unit. Neither a Student Unit nor a Superintendent Unit shall qualify as a Tax Code Unit.

"Tax Code Unit Percentage" shall mean the percentage of units (excluding any Superintendent Unit) that are Tax Code Units.

"Tax Credits" shall mean the low income housing tax credits available to Borrower due to the inclusion of Tax Code Units in the Project pursuant to Sections 42 and 142 of the Tax Code and any related rules and regulations.

B. Distribution of Units:

(i) Tax Code Units

In accordance with the distribution set forth in the Rent Schedule annexed hereto, 109 units shall be Tax Code Units (of which 8 units shall be Very Low Income Tax Code Units).

At the initial rent-up of the Project the Mortgagor shall lease:

No fewer than 38 Tax Code Units, which shall be Public Housing Units, solely to tenants whose Annual Income upon occupancy does not exceed

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60% of AMI ("60% of AMI Public Housing Units")

No fewer than 8 Tax Credit Units solely to tenants whose Annual Income upon occupancy does not exceed 50% of AMI ("50% of AMI Non-Public Housing Units").

No fewer than 63 Tax Code Units solely to tenants whose Annual Income upon occupancy does not exceed 60% of AMI ("60% of AMI Non-Public Housing Units")

C. Rent Stabilization and Registration:

(i) All Units Subject to Rent Stabilization

All units shall be subject to Rent Stabilization during the Occupancy Restriction Period and shall remain subject to Rent Stabilization after the Occupancy Restriction Period ends except for the Public Housing Units to the extent (i) the Rent Stabilization Law may exempt such Public Housing Units; (ii) Rent Stabilization Law may be pre-empted by the United States Housing Act of 1937, as may be amended or (iii) the HUD Declaration of Restrictive Covenants is in effect in which case the Applicable Public Housing Requirements and the NYCHA Regulatory and Operating Agreement shall apply, for so long as they are Public Housing Units subject to (i), (ii) or (iii) above, after which Rent Stabilization shall apply. The Public Housing Units' rents shall be registered with Rent Stabilization at the Legal Rent as set forth in Schedule B.

(ii) Registration in Accordance with Rent Stabilization

At the initial rent-up of the units, Mortgagor shall register the initial rents for each unit in accordance with Rent Stabilization as follows:

a. The initial legal regulated rent for each unit shall be the amount set forth in Rent Schedule. This amount may increase upon lease renewal or vacancy in accordance with Rent Stabilization. This amount, as adjusted from time to time as permitted, shall be the "Legal Rent".

b. If the Actual Rent (as defined in the following section) for a unit is less than the Legal Rent for the unit, then the Actual Rent shall be registered as a preferential rent.

(iii) Mortgagor shall provide a copy of the initial registration form for all units to HPD upon request prior to the Permanent Conversion. After initial registration, on an annual or biannual basis as applicable for each unit, and

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in accordance with Rent Stabilization, Mortgagor shall re-register the Legal Rent then in effect as the legal regulated rent and the Actual Rent in effect as a preferential rent.

D. Actual Rents for Tax Code Units:

(i) Initial Rent-Up:

At initial rent-up, the Actual Rent for a Tax Code Unit that is not a Section 8 Unit shall equal the least of:

a. the Legal Rent (as set forth in the Rent Schedule);
b. the initial Actual Rent for the unit set forth in the Rent Schedule; and
c. 30% of the applicable AMI limit.

If the unit is a Section 8 Unit, the Actual Rent at initial rent-up shall equal the least of:

a. the Legal Rent (as set forth in the Rent Schedule);
b. the Section 8 Rent;
c. 90% of FMR.

(ii) Lease Renewal:

Upon lease renewal for a Tax Code Unit that is not a Section 8 Unit, the new Actual Rent shall equal the least of:

a. the Legal Rent;
b. the prior Actual Rent increased as permitted by Rent Stabilization; and
c. 30% of the applicable AMI limit.

If the unit is a Section 8 Unit, the Actual Rent at initial rent-up shall equal the least of:

a. the Legal Rent;
b. the Section 8 Rent;
c. 90% of FMR.

(iii) Vacancy:

Upon vacancy of a Tax Code Unit that is not a Section 8 Unit, the Actual Rent for the new Eligible Tenant shall equal the lesser of:

a. the Legal Rent; and

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b. 30% of the applicable AMI limit.

If the unit is a Section 8 Unit, the Actual Rent at initial rent-up shall equal the least of:

a. the Legal Rent;
b. the Section 8 Rent;
c. 90% of FMR.

(iv) Tax Code Maximums:

In no event shall any tenant of a Tax Code Unit, including those Section 8 Units that are also Tax Code Units, pay a rent that is greater than the amount permitted by the Tax Code or, for tenants of Section 8 Units, a tenant rent share that is greater than the amount required by Section 8 and allowed by the Tax Code, nor shall Mortgagor increase the Actual Rent during the Occupancy Restriction Period for any Tax Code Unit except as permitted by the Tax Code.

(v) Additional Requirements for Section 8 Units:

a. Tenant's loss of Section 8:

If a Section 8 tenant is occupying a Tax Code Unit and the tenant loses his or her Section 8 at any time, then Mortgagor shall immediately revise the tenant's Actual Rent to an amount that does not exceed the maximum amount that may be collected under the Tax Code.

b. Vacancy; no new Section 8:

Upon vacancy of a Tax Code Unit that had been occupied by a tenant with Section 8, if the next tenant identified for the unit does not have Section 8, but he or she is an Eligible Tenant for a Tax Code Unit, then Mortgagor shall set the Actual Rent for the new tenant in accordance with subsection D (Actual Rents), and to an amount that does not exceed the maximum amount that may be collected under the Tax Code. Mortgagor shall register this revised Actual Rent as the new preferential rent for the unit.

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RENT SCHEDULE

DISTRIBUTION OF UNITS AND INITIAL RENTS

Project: Prospect Plaza Site 1
1765 Prospect Place
Block 1458 / Lot 52
Brooklyn, NY

The Project shall contain 110 units in total (including 1 Superintendent Unit).

60% of AMI Public Housing Units

Size	No. of Units.	Legal Rent (initial rent-up)	Actual Rent (initial rent-up)*
One Bedroom	6	$895	$847
Two Bedroom	30	$1,082	$1,025
Three Bedroom	2	$1,247	$1,182

50% of AMI Non-Public Housing Units

Size	No. of Units	Legal Rent (initial rent-up)	Actual Rent (initial rent-up)
One Bedroom	1	$737	$690
Two Bedroom	6	$893	$836
Three Bedroom	1	$1,029	$963

60% of AMI Non-Public Housing Units

Size	No. of Units	Legal Rent (initial rent-up)	Actual Rent (initial rent-up)
One Bedroom	11	$895	$847
Two Bedroom	49	$1,082	$1,025
Three Bedroom	3	$1,247	$1,182

* Actual Rent at initial rent-up for Public Housing Units may be less based on tenant income.

Increases Prior to Initial Rent-Up:
The Legal Rents and Actual Rents specified above may be increased at initial rent-up with the prior written consent of HDC and HPD.

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Section 8 Units:
At the initial rent-up of the Project, Borrower shall determine the units, if any, that will be occupied by Section 8 tenants. Borrower shall obtain the prior written approval of HDC and HPD regarding the Legal Rent that shall be applicable to each Section 8 Unit at initial rent-up. The parties shall amend this Agreement at the Permanent Conversion to document the Rent Schedule as completed.

Size	No. of Units	Legal Rent (initial rent-up)
One Bedroom	TBD	$1,094 (90% FMR)
Two Bedroom	TBD	$1,296 (90% FMR)
Three Bedroom	TBD	$1,667 (90% FMR)

Specific Section 8 Unit as of initial rent-up: TBD

7. **Use of Low Income Housing Tax Credits (LIHTC):**

a) Borrower shall comply with all requirements of the applicable sections of the Internal Revenue Code as necessary to ensure eligibility for Low Income Housing Tax Credits ("LIHTC") and shall comply with all applicable sections of the Internal Revenue Code Section 42 and the rules and regulations promulgated thereunder. Prior to closing of the construction loan, Borrower shall have provided to HPD and HDC all underlying documentation relating to LIHTC, including but not limited to any subscription agreements and the Operating Agreement.

b) The closing of the loan is subject to the receipt for review and approval by HPD of the Operating Agreement pursuant to which Borrower is formed. The Operating Agreement shall provide a commitment from an approved "Tax Credit Investor" invest the amount of not less than $20,651,753 on terms acceptable to HPD.

c) HPD shall be satisfied, that, as of the closing of the construction loan, (i) Borrower's member(s) shall have the capacity to make all capital contributions required to be made by it under the Operating Agreement and with the exception of the developer fee (ii) all conditions precedent to the member(s) obligations to make further capital contributions in accordance with the Operating Agreement that are capable of being satisfied by the closing shall have been satisfied, and HPD shall be satisfied that all remaining conditions are capable of being satisfied. The Borrower and the member(s) shall assign to HDC their respective right to receive all future proceeds to be made by the limited partner(s), as collateral security for HDC Construction Loan, and shall execute and deliver such documents as HDC shall require as evidence of such assignment.

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d) Any violation of the LIHTC regulations or requirements will be considered a default under the loan documents.

8. Mortgagor shall have furnished HPD with any supporting materials for the 420-c Tax Exemption, together with evidence acceptable to HPD that all such materials have been properly submitted to the appropriate governmental offices. Prior to the Construction Loan Closing Date, Borrower shall deliver a written legal opinion stating that the residential portion of the Project will be eligible for tax exemption benefits pursuant to Section 420-c of the Real Property Tax Law and Chapter 31 of Title 28 of the Rules of the City of New York.

9. The Mortgagor shall comply with the HPD and HDC procedures pertaining to (i) the initial marketing of the apartments in the Project if applicable, and (ii) the certification of all tenants' income prior to initial occupancy during the period covered by a regulatory agreement.

10. M/WBE Plan. Prior to closing of the HPD Construction Loan, Borrower shall submit a plan to HPD, on such form(s) provided by HPD, setting forth the voluntary numerical goal established by Borrower (if any) for utilization of minority-owned business and women-owned business enterprises ("M/WBEs") for the project; the names, trades, contract amounts as well as contract start and end dates; and the affirmative steps Borrower will take to assure that minority business M/WBEs have an opportunity to obtain or compete for contracts and subcontracts as sources of supplies, equipment, construction and services for the project ("M/WBE Plan").

Mortgagor's submission of the M/WBE Plan is subject to the following:

(a) The M/WBE Plan is solely and strictly for information purposes;

(b) The M/WBE Plan's content shall have no effect on the closing of the HPD Construction Loan;

(c) The M/WMBE Plan's implementation is not required as a condition of the HPD Construction Loan or otherwise;

(d) Whether or how the M/WBE Plan is implemented shall have no bearing on any term or aspect of the project;

(e) Neither HPD nor any party under the direction of HPD will enforce the M/WBE Plan;

(f) Borrower understands that subsequent to the closing of the HPD Construction Loan, HPD will request that Borrower periodically report on the actual utilization of M/WBEs on the project, on such form(s) provided by HPD, by providing information to HPD regarding any M/WBEs participation on the project and the amounts actual paid to such M/WBEs as of the submission of each report.

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(g) Nothing contained herein shall abridge Borrower's obligation to comply with any applicable federal and/or state requirements regarding M/WBE outreach and/or utilization and HPD's ability to enforce any such requirements.

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GENERAL CONDITIONS TO HPD MORTGAGE LOAN COMMITMENT

("HPD Mortgage" shall mean the mortgage held by HPD securing the HPD Permanent Loans or HDC securing the HPD Construction Loans)

1. Prior to Construction Loan closing, Mortgagor shall submit all organizational documents to HPD, which shall be subject to HPD approval, including, but not limited to, a Certificate of (Limited) Partnership (if Mortgagor is a (limited) partnership) and a Certificate of Incorporation (if Mortgagor is a corporation or if Mortgagor includes a corporate general partner(s)), and an affidavit from an authorized principal of Mortgagor listing all officers, directors, and shareholders of such corporation(s).

2. If prior to either the Construction Loan closing or the Permanent Loan closing, (i) the fee title to all or any part of the Property is transferred or conveyed, or (ii) title to the Property shall become vested in any other person, partnership, corporation, trust, venture or other entity in any manner whatsoever, whether by operation of law or otherwise, or (iii) all or substantially all of the Project shall be leased or licensed to any party, or (iv) if the Mortgagor is a corporation and the controlling interest of such corporation is changed by transfer of ownership interests thereof, by operation of law or otherwise, or (v) if the Mortgagor is a general or limited partnership and one or more general partners shall be added, removed or substituted without the prior written consent of HPD first had and obtained, then HPD may, at HPD's option, cancel this commitment and render same null and void, after which HPD shall have absolutely no obligations hereunder.

3. If prior to either the Construction Loan closing or the Permanent Loan Closing (i) the improvements on the Property are damaged or destroyed by fire or other casualty and the Property are not promptly repaired or restored to HPD's satisfaction, or (ii) there is a diminution in the value of the Property as a result of eminent domain or condemnation, HPD may elect to cancel this commitment and render it null and void, after which HPD shall have absolutely no obligation hereunder.

4. Prior to the Construction Loan closing (in addition to any other requirements of this commitment), the following shall have occurred:

   (a) The entire transaction, the Mortgagor, and the general contractor shall have been approved by the Office of the Inspector General and HPD's Office of Equal Opportunity.

   (b) The general contractor shall have been approved by HPD.

   (c) The construction contract for the Project shall have been approved by HPD.

   (d) The plans and specifications shall have been approved by HPD.

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(e) All building permits and approvals necessary for the start and completion of construction shall have been obtained.

5. At the Construction Loan closing, (in addition to any other requirements of this Commitment) the following must occur:

(a) Mortgagor shall furnish HPD with an irrevocable letter of credit in favor of HPD, payable by sight draft, in the amount not less than set forth in this commitment, containing such terms and from such provider as shall have been approved by HPD. With HPD's prior approval, this requirement may be satisfied by a completion guaranty backed by personal assets, cash deposit, assigned certificate of deposit or a 100% payment and performance bond issued by a bonding company acceptable to HPD.

(b) Mortgagor shall furnish HDC and HPD with a policy of builder's risk insurance or fire and property insurance with extended coverage endorsements not less than the amount set forth in this commitment, and liability insurance in such amounts approved by HPD and HDC, all of which shall be fully prepaid for a period of not less than one (1) year, issued by such company satisfactory to HPD and HDC, and on such forms, and providing such coverages, as shall be satisfactory to HPD and HDC.

(c) A title company satisfactory to HPD and HDC shall issue a policy of title insurance, with a current survey certified to HPD and HDC, insuring that the loan made by HPD is secured by a mortgage constituting a valid lien on a good and marketable title to the Property in fee simple, not subject to or subordinate to any other lien or encumbrance unless specifically approved by HPD and HDC. Said policy or policies shall be free of exceptions objectionable to HPD and HDC, and shall be issued by a title company in such amounts and form and containing such provisions as are satisfactory to HPD and HDC.

(d) The construction consultant hired by Construction Servicer shall have been approved by HPD. The construction consultant shall be an independent professional engineer hired by the Construction Servicer and approved by HPD prior to the closing of the Construction Loan and shall be responsible for approving construction requisitions and certifying as to completion of the Work for Project ("Construction Consultant"). The form and substance of Construction Consultant's Certificate of Substantial Completion shall have been agreed to by HPD prior to Construction Loan closing.

(e) The Mortgagor and general contractor shall have entered a construction contract for the Project approved by HPD.

6. If HPD is required to deposit its share of the Construction Loan with BNY Mellon at the Construction Loan closing, HPD's funds must be invested by BNY Mellon in investment

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instruments acceptable to HPD in accordance with prudent investment practices, with interest accruing to the benefit of HPD.

7.

(a) The new construction on the Property (the "Work") must be completed to the satisfaction of HPD in accordance with the approved plans and specifications and a construction contract and building loan agreement approved by HPD. The completion of the Work shall be evidenced by HPD's certification.

(b) Mortgagor shall grant HPD access to the Work on site during working hours.

(c) Mortgagor shall comply with all applicable federal, state and city laws, codes and ordinances and all rules and regulations promulgated thereunder in connection with the Work, including, without limitation, the New York State Labor Law, the New York City Zoning Resolution, New York City Building Code, and the New York City Housing Maintenance Code, and shall furnish satisfactory evidence of such compliance upon request.

(d) Prior to the Permanent Loan Closing, all material men, laborers and mechanics who have furnished materials or services in connection with the Work shall have been paid in full, the condition of the Project shall be satisfactory to HPD in all respects, and all necessary government approvals, licenses, permits and certificates shall have been duly issued, including, without limitation, a final (or, if applicable as determined by HPD, a temporary) certificate of occupancy and/or a certificate of completion, as the case may be. Mortgagor shall provide documentation satisfactory to the HPD evidencing that all material men, laborers, mechanics and architects who furnished materials or services in connection with the Work have been paid in full.

8. If the Mortgagor is other than an individual, at both Construction Loan and Permanent loan closing, the Mortgagor shall furnish HPD with an opinion of New York counsel satisfactory to HPD stating that: (a) Mortgagor (i) is duly organized pursuant to the laws of the State of New York; (ii) is qualified to do business in the State of New York; (iii) has complied with all provisions of New York law relative to the making of this loan; and (iv) has paid all New York corporate income and franchise taxes; and (b) the Construction and Permanent Loan documents, as the case may be, as executed and delivered by the Mortgagor are valid and enforceable as against the Mortgagor.

9. At Construction Loan closing, Mortgagor shall execute, acknowledge and deliver to HPD an affidavit of a principal primarily responsible for supervising the affairs of the Mortgagor, in form and substance satisfactory to HPD, stating that there is no litigation, pending or threatened, against the Mortgagor which might interfere with or adversely affect its ability to repay the HPD loan and that Mortgagor is not in default under any loan, contract or other obligation in favor of the City of New York.

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10. All leases and occupancy agreements in force and effect at the time of closing of the Permanent Loan, and the form of all leases and occupancy agreements to be entered into by the Mortgagor subsequent to the closing of the Permanent Loan, must be satisfactory to HPD and its attorneys in form and substance, and subordinate to the lien of the HPD permanent mortgage. Mortgagor shall provide HPD with the form of such lease and with access to copies of all such new leases. All initial tenants shall receive rent orders from HPD at the time of the establishment of initial rents and must be offered 2 year leases by the Mortgagor.

11. Mortgagor shall execute, acknowledge and deliver all documents and instruments deemed necessary by HPD and HDC to effectuate this commitment and close the Construction Loan and Permanent Loan. Such documents and instruments shall be in such form and contain such terms and conditions as are satisfactory to and approved by the attorneys for HPD and, if required, by the Corporation Counsel of the City of New York. Further, Mortgagor shall take such other action as shall be, in the judgment of HPD, necessary or convenient to effectuate the purposes of this commitment and close the Construction Loan and Permanent Loan.

12. Mortgagor shall pay all expenses, fees, disbursements, title premiums and charges for title examination, mortgage insurance and survey, recording fees, if any, recording and transfer taxes, and all other expenses incident to closing the Construction Loan and Permanent Loan.

13. No subordinate financing affecting the Project at the time of Construction Loan and Permanent Loan closing other than as set forth herein, or during the term of the loan, including secured transactions under the Uniform Commercial Code, shall be permitted without the prior written consent of HPD and HDC.

14. HPD shall be under no obligation to pay any brokerage commission or fee of any kind with respect to this commitment.

15. Mortgagor hereby agrees to indemnify and hold HPD harmless of and from any claims by any person or entity for any fees or commissions with respect to this commitment, the Construction Loan and the HPD Permanent Loan.

16. Borrower shall erect and maintain on the Property during the construction period, at Borrower's sole cost and expense, a sign provided by HPD which indicates HPD's participation in the financing.

17. Borrower shall comply with all provisions of the commitment letters issued by HDC.

18. The Construction Loan closing and Permanent Loan closing will be held at a time and place in The City of New York to be designated by HPD or HDC upon not less than five (5) days prior notice to all parties concerned.

19. Prior to Permanent Loan closing, Mortgagor shall provide proof satisfactory to HPD of the actual amount of expended equity. To the extent Mortgagor fails to provide said proof, the

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Mortgagor must provide other equity satisfactory to HPD so that Mortgagor meets the required minimum equity set forth in the HPD Mortgage Schedule.

20. Prior to the closing of the Permanent Loan, (in addition to any other requirements of this Commitment), the following shall have occurred:

(a) All requirements of the Construction Loan shall have been satisfied, including, but not limited to, all requirements in relation to the Work.

(b) Mortgagor shall have made application to the appropriate city agencies, including the Building Department, HPD and the Finance Department for final approval and determination of the benefits under the Article 420-c Tax Exemption, and such agencies shall have approved and make effective such benefits.

(c) Mortgagor shall have made application to the New York State Homes and Community Renewal for the registration of the Project.

(d) Mortgagor shall have completed and submitted all documentation required by HPD to enable HPD to establish the rents for the Property including, but not limited to, documentation evidencing the completion of the Work, and documentation required by (i) Section 11 243 of the City Administrative Code to issue a Final Certificate of Eligibility, and (ii) the HPD Office of Equal Opportunity ("OEO") with respect to compliance with OEO rules and regulations.

(e) Mortgagor shall have completed and submitted all documentation required by HPD, the Housing Authority, the United States Department of Housing and Urban Development and/or any other governmental agencies to enable it to provide Section 8 rent subsidies (i.e. Section 8 certificates or vouchers), if applicable.

(f) All the construction and permanent loans cited in this Commitment shall have been funded in accordance with the terms herein.

(g) All documents executed at or in connection with the Permanent Loan closing, including, by way of example, notes and mortgages and servicing agreement, shall have been in form and in substance satisfactory to HPD.

Notwithstanding anything to the contrary contained herein, if HPD makes the Permanent Loan prior to the satisfaction by Mortgagor of any other conditions stated herein as conditions precedent for the Loan, Mortgagor shall not be relieved of its obligation to comply with, and HPD shall not have been deemed to have waived such condition and failure to satisfy same shall be deemed a default under the Loan.

21. At the closing of the Permanent Loan, (in addition to any other requirements of this Commitment),

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(a) Mortgagor shall furnish HPD with a policy of fire insurance with extended coverage endorsements not less than the amount set forth in this commitment, and liability insurance in such amounts approved by HPD, all of which shall be fully prepaid for a period of not less than one (1) year, issued by such company satisfactory to HPD, and on such forms, and providing such coverages, as shall be satisfactory to HPD.

(b) A title company satisfactory to HPD shall issue a policy of title insurance, with a current survey certified to HPD, insuring that the loan made by HPD is secured by a mortgage constituting a valid lien on a good and marketable title to the Premises in fee simple, not subject to or subordinate to any other lien or encumbrance unless specifically approved by HPD. Said policy or policies shall be free of exceptions objectionable to HPD, and shall be issued by a title company in such amounts and form and containing such provisions as are satisfactory to HPD.

22. The HPD Permanent Loan shall be evidenced by a promissory note and secured by (i) a mortgage which shall be a valid lien on a good and marketable title in fee simple on the Property, subordinate only to the lien of the mortgage securing HDC's share of the Permanent Loan, and (ii) a prior security interest in all fixtures, equipment, machinery and articles of personal property, now or hereafter affixed to or used in the operation of the Project, except personal property owned by bona fide tenants.

23. The HPD Mortgage shall provide that:

(a) (i) during the term of the loan the Mortgagor shall provide HPD with certified statements of operations, listing in detail all earnings, income and expenses in connection with the Project for the preceding calendar year or fiscal period, not later than thirty (30) days after requested to do so by HPD, and (ii) HPD shall have the right to audit the books and records of the Mortgagor whenever HPD deems it necessary or desirable to do so;

(b) as collateral security for the loan, and at any time during the term of the loan, Mortgagor shall execute a general assignment of leases and rents to HPD, in form and substance satisfactory to HPD;

(c) HPD shall have the right to inspect the Project from time to time and approve the managing agent and management contract for the Project and that HPD may require, in HPD's sole discretion, the replacement of such managing agent if the maintenance of the Project or the performance of such managing agent is, in HPD's opinion, unsatisfactory;

(d) if required by HPD, the Mortgagor shall make monthly escrow payments in such amounts as are satisfactory to HPD, from time to time, with respect to taxes, water and sewer charges, insurance premiums, debt service reserve and replacement reserve;

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(e) if (i) the fee title to all or any part of the Property is transferred or conveyed, or (ii) title to the Property shall become vested in any other person, partnership, corporation, trust, venture or other entity in any manner whatsoever, whether by operation of law or otherwise, or (iii) all or substantially all of the Project shall be leased or licensed to any party, or (iv) if the Mortgagor is a corporation and the controlling interest of such corporation is changed by transfer of ownership interests thereof, by operation of law or otherwise, or (v) if the Mortgagor is a general or limited partnership and one or more general partners shall be added, removed or substituted without the prior written consent of HPD first had and obtained, then HPD may, at HPD's option, declare the indebtedness and the interest accrued secured thereby to be immediately due and payable

(f) The principal balance of the loan may not be prepaid prior to the 5th anniversary of the Permanent Conversion Date and thereafter may be prepaid at any time without premium or penalty.

(g) (i) the Mortgagor shall not refuse to rent an apartment in the Project to any present or prospective tenant solely for the reason that such tenant is or would be eligible to have his or her rent subsidized by housing assistance payments to be made by the United States Department of Housing and Urban Development ("HUD") pursuant to Section 8 of the National Housing Act of 1937, as amended and (ii) the Mortgagor shall enter into any lease, agreement or contract required by HUD in connection with such payments;

(h) Mortgagor shall not make application to the New York State Homes and Community Renewal (or its successor agencies) for any rent increases to which it might be entitled to under Title 26 of the Administrative Code of the City of New York, or the Tenant Protection Regulations of the Emergency Tenant Protection Act of 1974, for rehabilitation work performed on the Property when such work was (a) performed pursuant to or in connection with the Construction Loan or (b) funded or reimbursed from a source of funds held by HPD.

24. Mortgagor shall direct in writing all its officers, principals, employees, and agents to promptly report in writing to the Commissioner of Investigation of the City of New York any solicitation of money, goods, requests for future employment or other benefit or thing of value, by or on behalf of any employee of the City or other person, firm, corporation or entity for any purpose which may be related to the procurement or obtaining of this commitment by the Mortgagor, or affecting the performance of this commitment.

25. Any use of federal Low Income Housing Tax Credits is subject to HPD approval.

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HOME RIDER

Mortgagor shall execute an agreement in form and substance satisfactory to HPD setting forth requirements under the HOME Investments Partnership Program ("HOME Written Agreement") pursuant to Title II of the Cranston-Gonzales National Affordable Housing Act of 1990 and implementing regulations at 24 CFR part 92 (collectively, the "Act").

The Premises shall become subject to the terms, covenants and conditions contained in the HOME Written Agreement and Mortgagor shall comply with the Act and with all terms and conditions of the HOME Written Agreement throughout the terms set forth therein. The HOME Written Agreement shall set forth, among other things, rental and income affordability requirements required under the Act. The HOME requirements for the Mortgagor and the Premises include, but are not limited to, the following:

1. **Designation of HOME Units**

   The HOME units shall be designated prior to the Permanent Loan closing. These units shall be subject to the requirements of the HOME Written Agreement and the HOME Rider. Upon completion of construction, the HOME designated units shall be rented at the initial rents that do not exceed the rental levels under the HOME Program. The income of families who reside in the HOME designated units shall not exceed the income levels allowed under the HOME Program. A listing of the number of HOME designated units, as well as income and initial rental levels are set forth below:

   50% of AMI Very Low Income HOME Units:

No. of Units.	Size	Rooms	Maximum Initial Legal Rent
1	One Bedroom	3	$737
6	Two Bedroom	4	$893
1	Three Bedroom	5	$1,029

   The 50% of AMI Very Low Income HOME Units will be rented to households whose annual incomes upon initial occupancy do not exceed 50% of AMI.

   60% of AMI Low Income HOME Units:

No. of Units.	Size	Rooms	Maximum Initial Legal Rent
6	One Bedroom	3	$895
25	Two Bedroom	4	$1,082
1	Three Bedroom	5	$1,247

   The 60% of AMI Low Income HOME Units will be rented to households whose annual incomes upon initial occupancy do not exceed 60% of AMI.

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Total Very Low Income HOME Units: 8
Total Low Income HOME Units: 32
Total HOME Units: 40

2. Income of Tenants

(a) Income Restriction

Each HOME-assisted unit throughout the Restriction Period must be occupied by low-income families as defined in 24 CFR 92.2.

3. Residential Rent Levels

(a) Rent Limitation.

The maximum HOME rents for HOME assisted units are the lesser of:

(1) The fair market rent for existing housing for comparable units in the area as established by HUD under 24 CFR 888.111; or

(2) A rent that does not exceed thirty (30) percent of the adjusted income of a family whose annual income equals sixty (60) percent of the median income for the area, as determined by United States Department of Housing and Urban Development ("HUD"), with adjustments for number of bedrooms in the unit, less the monthly allowance for the utilities and services (excluding telephone) to be paid by the tenant

(b) Additional rent and income limitations

At least twenty (20) percent of the HOME-assisted units must be occupied by very low-income families and meet one of the following rent requirements:

(1) The rent does not exceed thirty (30) percent of the annual income of a family whose income equals fifty (50) percent of the median income for the area, as determined by HUD, with adjustments for smaller and larger families. HUD provides the HOME rent limits which include average occupancy per unit and adjusted income assumptions. However, if the rent determined under this paragraph is higher than the applicable rent under (a) of this section, then the maximum rent for units under this paragraph is that calculated under paragraph (b).

(2) The rent does not exceed thirty (30) percent of the family's adjusted income. If the unit received Federal or State project-based rental subsidy and the very low-

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income family pays as a contribution towards rent not more than thirty (30) percent of the family's adjusted income, then the maximum rent (i.e., tenant contribution plus project-based rental subsidy) is the lesser of the rent allowable under the Federal or State project-based rental subsidy, or the rent allowed under New York City Rent Stabilization Law.

4. Other Federal Requirements

(a) Equal Opportunity

No person in the United States shall on the grounds of race, color, national origin, religion, or sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination in the Premises. In addition, Mortgagor shall comply with the following:

(1) Federal Fair Housing Law (42 U.S.C. 3601 20) and implementing regulations at 24 CFR part 100; Presidential Executive Order 11063, as amended by Executive Order 12259 (3 CFR, 1958 1963 Comp., p. 652 and 3 CFR, 1980 Comp., p. 307) (Equal Opportunity and Housing) and implementing regulations at 24 CFR part 107; and Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d) (Nondiscrimination in Federally Assisted Programs) and implementing regulations issued at 24 CFR part 1;

(2) Age Discrimination Act of 1975 (42 U.S.C. 6101 07) and implementing regulations at 24 part CFR 146; Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and implementing regulations at 24 part CFR 8;

(3) Presidential Executive Order 11246 (3 CFR 1964 65, Comp. p. 339) (Equal Employment Opportunity) and the implementing regulations at 41 CFR chapter 60;

(4) Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) that (i) to the greatest extent feasible, opportunities for training and employment arising in connection with the planning and carrying out of any project assisted with HOME funds be given to low income persons residing within the unit of general local government or the metropolitan area, as determined by HUD, in which the project is located; and (ii) to the greatest extent feasible, contracts for work to be performed in connection with any such project be awarded to business concerns, including but not limited to individuals or firms doing business in the field of planning, consulting, design, architecture, building construction, rehabilitation, maintenance, or repair, which are located in or owned in substantial part by persons residing in the same metropolitan area as the project;

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(5) Presidential Executive Orders Nos. 11625, 12432 (concerning Minority Business Enterprise) and 12138 (concerning Women's Business Enterprise).

(b) Affirmative Marketing

For projects containing five (5) or more HOME assisted units, Mortgagor shall comply with the Affirmative Marketing Plan approved by HPD.

(c) Displacement, Relocation and Acquisition

(1) The HPD Project is subject to the requirements of 24 CFR 92.353 regarding displacement and relocation.

(2) The acquisition of real property for the HPD Project, if any, is subject to the URA and the requirements of 49 CFR 24, subpart B.

(d) Labor

The rehabilitation of any premises containing twelve (12) or more HOME assisted units, is subject to the requirements of the Davis Bacon Act (40 U.S.C. 276a 5), the Contract Work Hours and Safety Hours and Safety Standards Act (40 U.S.C. 327 332), the regulations promulgated in connection thereto, and with other federal laws and regulations pertaining to labor standards and HUD Handbook 1344.1 (Federal Labor Standards Compliance in Housing and Community Development Programs) as applicable.

(e) Conflict of Interest

No person who is an employee, agent, consultant, officer, or elected official or appointed official of HPD who shall have exercised any functions or responsibilities with respect to activities assisted with HOME funds or who are in a position to participate in a decision making process or gain inside information with regard to these activities, may obtain a financial interest or benefit from a HOME assisted activity, or have an interest in any contract, subcontract or agreement with respect thereto, or the proceeds there under, either for themselves or those with whom they have family or business ties, during their tenure or for one year thereafter.

(f) Flood Insurance

The HPD Project is subject to the requirements of the Flood Disaster Protection Act of 1973 (42U.S.C.4001 4128.

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Prospect Plaza Site 1
6/27/2014
HPD Mortgage Schedule

Source		Total	HDC First Mortgage	HDC Second Mortgage	HPD Third Mortgage	NYCHA Fourth Mortgage	NYCHA Fifth Mortgage	Tax Credit Equity	Deferred Developer's Fee	Doublecheck
Amount of Each Source		$45,122,352	$22,490,000	$4,680,000	$1,837,436	$7,362,500	$2,189,892	$2,062,524	$4,500,000	$45,122,352
Acquisition										
Acquisition		$0								$0
Total Acquisition Costs		$0	$0	$0	$0	$0	$0	$0	$0	$0
Hard Costs										
Construction		$32,000,321	$19,764,591	$4,224,050	$1,837,436	$5,798,883		$375,361		$32,000,321
Parking		$74,000	$37,000	$37,000						$74,000
Contingency		$1,603,716	$801,858			$801,858				$1,603,716
Total Hard Costs		$33,678,037	$20,603,449	$4,261,050	$1,837,436	$6,600,741	$0	$375,361	$0	$33,678,037
Soft Cost										
Borrower's Legal		$160,000	$0				$160,000		$0	$160,000
Borrower's Engineer/Architect Fees		$752,850	$0			$141,923	$249,265	$361,662	$0	$752,850
Accounting & Cost Certification	*	$80,000	$0				$80,000		$0	$80,000
Bank's Engineer		$27,800	$0			$20,700		$7,100	$0	$27,800
Bank Legal		$100,000	$50,000	$50,000					$0	$100,000
Permits and expediting	*	$108,000	$0			$30,000		$78,000	$0	$108,000
Environmental Phase I & II		$40,000	$0				$40,000		$0	$40,000
Borings		$28,475	$0				$28,475		$0	$28,475
Survey		$20,000	$0				$20,000		$0	$20,000
Title Insurance		$180,000	$90,000	$70,000		$20,000			$0	$180,000
Appraisal		$15,000	$0				$15,000		$0	$15,000
HDFC Fee	*	$50,000	$0				$50,000		$0	$50,000
Construction Cost Evaluation (HUD)		$19,200	$0				$19,200		$0	$19,200
Financing										
Upfront L/C Fee		$170,100	$170,100						$0	$170,100
Annual L/C Fee		$623,700	$255,000			$260,700	$108,000		$0	$623,700
HDC Fee (if applicable)		$168,675	$168,675						$0	$168,675
Cost of Issuance		$337,350	$337,350						$0	$337,350
NY State Bond Issuance Charge		$188,916	$188,916						$0	$188,916
Real Estate Tax Incentive Fees (420c)	*	$9,150	$4,500			$150	$4,500		$0	$9,150
LIHTC Application Fee	*	$89,025	$89,025						$0	$89,025
NYCHA-HUD Funds Administration Fee		$143,286	$0			$143,286			$0	$143,286
FHA Risk Share MIP	*	$13,550	$13,550						$0	$13,550
HPD Loan Servicing During Construction	*	$11,484	$0				$4,650	$6,834	$0	$11,484
Carrying										
Construction Interest		$1,042,075	$0	$100,000			$719,917	$222,158	$0	$1,042,075
Negative Arbitrage	*	$514,435	$514,435						$0	$514,435
Water/Sewer & Real Estate Taxes	*	$50,000	$0				$50,000		$0	$50,000
Utilities		$100,000	$0				$100,000		$0	$100,000
Insurance		$600,000	$0	$198,950		$150,000	$177,000	$74,050	$0	$600,000
Marketing	*	$183,000	$0				$183,000		$0	$183,000
Reserves & Contingency:										
Social Service Reserve	*	$100,000	$0					$100,000	$0	$100,000
Capitalized Operating Reserve	*	$110,000	$0					$110,000	$0	$110,000
Additional Operating Reserve (if applicable)	*	$400,940	$0					$400,940	$0	$400,940
NYCHA Operating Subsidy Reserve ACC	*	$171,000	$0					$171,000	$0	$171,000
Soft Cost Contingency	*	$291,304	$0				$180,885	$110,419	$0	$291,304
Soft Cost Total		$6,899,315	$1,881,551	$418,950	$0	$766,759	$2,189,892	$1,642,163	$0	$6,899,315
Developer's Fee	*	$4,500,000	$0	$0	$0	$0	$0	$0	$4,500,000	$4,500,000
NYCHA Fee	*	$45,000	$0	$0	$0	$0	$0	$45,000	$0	$45,000
TOTAL		**$45,122,352**	**$22,485,000**	**$4,680,000**	**$1,837,436**	**$7,367,500**	**$2,189,892**	**$2,062,524**	**$4,500,000**	$45,122,352
Development and Project Article 22 Costs:		**$38,395,464**	**$21,863,490**	**$4,680,000**	**$1,837,436**	**$7,337,350**	**$1,636,857**	**$1,040,331**	**$0**	$38,395,464
% Article 22 Sources			**97.21%**	**100.00%**	**100.00%**	**99.66%**	**74.75%**	**50.44%**	**0.00%**	

(Specified (*) items not eligible under Article 22)

Construction Sources	
HDC First Mortgage	$22,490,000
HDC Second Mortgage	$4,680,000
HPD Third Mortgage	$1,837,436
NYCHA Fourth Mortgage	$7,362,500
NYCHA Fifth Mortgage	$2,189,892
Tax Credit Equity	$2,062,524
Deferred Developer's Fee	$4,500,000
Total Sources of Funds	*$45,122,352*

Permanent Sources	
HDC First Mortgage	$2,710,000
HDC Second Mortgage	$4,680,000
HPD Third Mortgage	$6,600,000
NYCHA Fourth Mortgage	$7,362,500
NYCHA Fifth Mortgage	$2,189,892
Tax Credit Equity	$20,651,753
Deferred Developer's Fee	$796,207
NYSERDA	$132,000
Total Sources of Funds	*$45,122,352*

NEW YORK CITY HOUSING AUTHORITY

SHOLA OLATOYE
CHAIR

NEW YORK CITY HOUSING AUTHORITY
250 BROADWAY • NEW YORK, NY 10007
TEL: (212) 306-3000 • http://nyc.gov/nycha

CONSTRUCTION AND PERMANENT LOAN FINANCING COMMITMENT

June 25, 2014

Oceanhill, LLC
c/o Blue Sea Development Company, LLC
164 Main Street
Huntington, New York 11743
Attention: Leslie Bluestone

Re: Prospect Plaza Phase I, 1765 Prospect Place, Brooklyn, New York, a/k/a Kings County Block 1458, Lot 52 (the "**Project Site**")

Dear Mr. Bluestone:

Subject to the terms and conditions hereinafter set forth in this Construction and Permanent Loan Financing Commitment (the "**Commitment**"), the New York City Housing Authority ("**NYCHA**") hereby agrees to provide a construction and permanent financing loan in the total amount of NINE MILLION FIVE HUNDRED FIFTY-TWO THOUSAND THREE HUNDRED NINETY-TWO DOLLARS ($9,552,392) (the "**NYCHA Loan**") to Oceanhill, LLC (the "**Borrower**") for the construction and permanent financing of the improvements to be constructed on the Project Site, which improvements consist of one four-story building and one six-story building containing in total one hundred nine (109) residential rental units of housing eligible to receive low-income housing tax credits ("**LIHTCs**") pursuant to Sections 42 and 142 of the Internal Revenue Code of 1986, as amended (the "**Code**") and the United States Treasury Regulations promulgated thereunder (the "**LIHTC Units**") and one superintendent's unit (the "**Project**"). The Project consists of eighteen (18) one-bedroom LIHTC Units, eighty-five (85) two-bedroom LIHTC Units, six (6) three-bedroom LIHTC Units and one (1) two-bedroom non-LIHTC Unit for the superintendent. The Project will also include twenty-eight (28) parking spaces located at grade level between the two buildings. In addition, thirty-eight (38) of the LIHTC Units will also be "**Public Housing Units**", consisting of six (6) one-bedroom units, thirty (30) two-bedroom units, and two (2) three bedroom units, subject to the Applicable Public Housing Requirements and eligible to receive Operating Subsidy under the United States Housing Act of 1937, as amended, as such terms are defined that certain "**Regulatory and Operating Agreement**", entered into by the Borrower and NYCHA, dated as of the date of the construction financing loan closing for the Project ("**Construction Loan Closing**"), and relating to the operation of the Public Housing Units.

The NYCHA Loan shall be used solely to fund residential construction work attributable to the Public Housing Units contained within the Project pursuant to the United States Department of

Housing and Urban Development ("**HUD**") approved F1 budget and Exhibit F of that certain Mixed-Finance Amendment to the Consolidated Annual Contributions Contract between NYCHA and HUD which makes the Public Housing Units eligible to receive Operating Subsidy from HUD. The NYCHA Loan will consist of HOPE VI grant funds in the amount of SEVEN MILLION THREE HUNDRED SIXTY-TWO THOUSAND FIVE HUNDRED DOLLARS ($7,362,500) provided pursuant to the Fiscal Year 1998 Revitalization Grant Agreement between the Authority and HUD effectively dated March 15, 1999 (the "**HOPE VI Grant Agreement**") for the revitalization and mixed-finance redevelopment of a public housing development known as Prospect Plaza Houses, located in the Ocean Hill/Brownsville section of Brooklyn, New York ("**Prospect Plaza**") of which the Project is Phase 1 of three (3) separate phases. The NYCHA Loan will also consist of TWO MILLION ONE HUNDRED EIGHTY-NINE THOUSAND EIGHT HUNDRED NINETY-TWO DOLLARS ($2,189,892) from Replacement Housing Factor Funds from HUD.

The NYCHA Loan is in participation with construction loans to be provided the New York City Housing Development Corporation ("**HDC**") with a letter of credit provided by the Bank of New York Mellon (the "**Bank**") and construction and permanent loans from HDC and the City of New York acting through its department of Housing Preservation and Development ("**HPD**") as set forth in a construction loan participation agreement ("**CLPA**").

The NYCHA Loan will be secured by one or more subordinate leasehold mortgages (collectively, "**NYCHA Mortgage**") executed by the Borrower and HP PPN HOUSING DEVELOPMENT FUND COMPANY, INC. (the "**HDFC**", and together with the Borrower, the "**Mortgagor**") and other documents executed by Borrower and/or the HDFC (the "**NYCHA Loan Documents**") and evidenced by one or more leasehold mortgage notes executed by the Borrower (collectively, the "**NYCHA Note**").

The Project shall comply with the Applicable Public Housing Requirements, all requirements of NYCHA and HUD, all applicable New York City, State and federal laws, and the terms and conditions contained herein.

The terms and conditions of that certain Master Development Agreement ("**MDA**") dated on or prior to June 26, 2014 by and among NYCHA, BLUE SEA DEVELOPMENT COMPANY, LLC, ROSENBERG HOUSING GROUP CORPORATION, DUVERNAY + BROOKS LLC, and PENNROSE PROPERTIES, LLC shall apply to the Project unless specifically stated otherwise in the NYCHA Loan Documents or this Commitment.

At the Construction Loan Closing, NYCHA shall enter into a 99-year ground lease (the "**Ground Lease**") with the HDFC and Borrower granting the HDFC and Borrower a 99-year leasehold for the Project Site on terms and conditions as forth in the MDA and the Ground Lease.

The NYCHA Loan terms are as follows:

Borrower:	Oceanhill, LLC
NYCHA Loan:	$9,552,392 ($7,362,500 from HOPE VI Funds) ($2,189,892 from Replacement Housing Factor Funds)

Priority:	Fourth during Construction Financing, Fourth upon Permanent Conversion.
Interest:	0.25% per annum during Construction, exclusive of Servicer's Fee,. 0.25% per annum from and after Permanent Conversion.
Payment:	50% of Net Cash Flow pursuant to the terms of the MDA
Loan Term:	40 years from the date of conversion of the NYCHA Loan to permanent financing plus the 24 month construction period for the Project, as such time for the construction may be extended.
Fees:	$45,000 as 1% of Developer Fee $143,286 Administrative Fee to be paid at or prior to the date of the Construction Loan Closing.
Security:	The Loan will be evidenced by one or more subordinate notes (collectively, the "**NYCHA Note**") and secured by one or more subordinate leasehold mortgages (collectively, the "**NYCHA Mortgage**").
Disbursements:	$9,552,392 is to be disbursed during the construction period.
Prepayment:	Any Project cash flow paid to NYCHA in accordance with the Operating Agreement and deposited into an escrow account shall constitute payment on the NYCHA Loan by the Borrower.

The fee interest in the Project Site is owned by NYCHA. A condition of the NYCHA Loan is that a satisfactory ground lease for a term of 99 years is entered into with the HDFC and Borrower.

Conditions Precedent to the Construction Loan Closing:

1. Receipt by NYCHA of all necessary governmental approvals concerning the Project and its principals;
2. The Borrower and its affiliates and all principals thereof in the ownership structure of the Project, and the managing agent for the Project, have been approved by NYCHA;
3. The organizational documents of the Borrower, the managing member of the Borrower and the HDFC must be reasonably acceptable to NYCHA;
4. NYCHA has approved the plans and specifications for the Project;
5. NYCHA has approved the management agent, management agreement and management plan for the Project and NYCHA and HUD shall have approval rights as to any changes thereto;
6. The Construction Loan Closing of the first priority HDC Loan, second priority HDC Loan, and third priority HPD Loan, must occur simultaneously with the closing of the NYCHA Loan;
7. Prior to the Construction Loan Closing, NYCHA has reviewed and approved all closing documents which review and approval shall not be unreasonably, withheld, conditioned or

delayed; The Borrower agrees to provide, execute and comply with all the documents required by NYCHA in connection with the Construction Loan Closing;

8. HDC and NYCHA must at or prior to Construction Loan Closing enter into a mutually satisfactory Construction Loan Participation Agreement;

9. At or prior to Construction Loan Closing, HDC, HPD, NYCHA, Borrower and Bank shall enter into a mutually acceptable Servicing and Release Agreement by which the NYCHA Loan is serviced, with a .25% servicing fee to be paid by Borrower;

10. At or prior to Construction Loan Closing, Borrower shall provide evidence of satisfactory certificates of insurance as may be required by NYCHA; NYCHA shall be named as an "Additional Insured" under any liability insurance coverage and as "Mortgagee" under property insurance coverage required by the NYCHA Mortgage;

11. At Construction Loan Closing, Borrower shall provide NYCHA with an ALTA survey of the Project Site, reasonably acceptable to NYCHA, and certified to NYCHA and HUD;

12. At or prior to the Construction Loan Closing, one or more of guarantors reasonably acceptable to NYCHA (collectively, the "**Guarantor**") shall enter into a satisfactory completion guaranty ("**Completion Guaranty**") for the benefit of NYCHA for the construction of the Project; prior to being determined acceptable to NYCHA, such Guarantor shall provide NYCHA a copy of Guarantor's most recent financial statements;

13. Intentionally deleted.

14. Prior to the Construction Loan Closing, the Project shall have received all necessary approvals from HUD including approval of disposition of the Project Site under Section 18 of the United States Housing Act of 1937 as amended and HUD approval of the mixed-finance proposal and evidentiaries and approval of the NYCHA Board;

15. At the Construction Loan Closing, the Borrower shall provide NYCHA with a standard American Land Title Association ("**ALTA**") 2006 mortgagee's title insurance policy or policies for the NYCHA Loan, issued by a company or companies acceptable to NYCHA in an amount equal to the maximum principal amount of the NYCHA Loan;

16. At or prior to Construction Loan Closing, Borrower shall require its architect to issue to NYCHA a certification stating that in the architect's professional opinion, if the project is constructed in accordance with the approved plans, the completed building will be in compliance with all applicable design requirements pertaining to fair housing and accessibility, including without limitation, the Americans with Disabilities Act, the Architectural Barriers Act, the Fair Housing Act, Section 504 of the Rehabilitation Act of 1973, the regulations and standards required by all of the foregoing Acts, and all comparable state and local accessibility laws and codes (collectively all such fair housing and accessibility requirements are referred to as the "**Accessibility Requirements**");

17. At or prior to Construction Loan Closing, Borrower shall require its general contractor to enter into an agreement to comply with Section 3 of the Housing and Urban Development Act of 1968, 12 U.S.C. Section 1701u, and its implementing regulations set forth in 24 C.F.R. Part 135;

18. At the Construction Loan Closing, Borrower and HDFC shall enter into a Regulatory and Operating Agreement with NYCHA to be recorded against the Project Site which Agreement sets forth the terms and conditions of the operation of the Public Housing Units in accordance with the Applicable Public Housing Requirements;

19. Prior to the Construction Loan Closing, Borrower will have obtained building permits permitting construction of the Project to commence and any other governmental approvals as required by NYCHA;

20. At or prior to Construction Loan Closing, Borrower will enter into all documents required by NYCHA in order for NYCHA to ground lease the Project Site to the Borrower and the HDFC as nominee of the Borrower and to provide the NYCHA Loan; and

21. At or prior to Construction Loan Closing, NYCHA, Borrower and HDFC shall enter into a Declaration of Restrictive Covenants, to be recorded in first priority, whereby the Public Housing Units are to be operated in accordance with the Applicable Public Housing Requirements.

Terms and Conditions for the Conversion of the NYCHA Loan to Permanent Financing ("Permanent Loan Conversion"):

1. Borrower must meet the requirements for the Letter of Credit Release;
2. The Permanent Loan conversion of the first priority HDC Loan, second priority HDC Loan, and third priority HPD Loan, must occur concurrently with the Permanent Loan Conversion of the NYCHA Loan;
3. The Construction Consultant and Borrower's Architect shall have delivered certificates to NYCHA, the forms of which are attached hereto as **Exhibit 1** and **Exhibit 2**, respectively, indicating that the Project has been substantially completed in accordance with the NYCHA approved plans and specifications of the improvements built on the Project Site;
4. Borrower shall have delivered to NYCHA an estoppel certificate in a form satisfactory to NYCHA attached hereto as **Exhibit 3**;
5. The Project shall have received a temporary or permanent certificate of occupancy, a punch list escrow based upon the report of the Construction Consultant is funded at twice the amount recommended by the Construction Consultant as being necessary to cure or correct such punch list items plus Fifty Thousand Dollars ($50,000) to secure the issuance of a permanent certificate of occupancy and Borrower shall have entered into a Punch List Escrow Agreement with HDC, HPD and NYCHA. The Project shall also be free of violations of record; alternatively, Borrower shall have funded an escrow with HDC in an amount determined by HDC, HPD and NYCHA, as security for the discharge of any remaining violations, and shall have agreed, as part of the Punch List Escrow Agreement, promptly to discharge any such violations;
6. NYCHA shall possess the title insurance policy for the Project which shall be for the amount of the NYCHA Loan. NYCHA shall have received an endorsement to its lender's title insurance policy that accomplishes the following: (i) deletes the pending disbursements clause; (ii) read the re-dated as-built survey into the title insurance policy; (iii) re-dates the date of the policy to the Permanent Loan Conversion date; and (iv) updates the Land Same as Survey endorsement to refer to the as-built survey, so that the title insurance policy may be re-dated to the date of the Permanent Loan Conversion. Borrower further understands and agrees that it may be required to deliver any other endorsement reasonably required by NYCHA to insure the NYCHA Mortgage;

7. NYCHA shall possess an "as built" survey certified to it each of them and certified to HUD which shows no substantial changes from the Survey delivered at Construction Loan Closing, other than the location of the improvements within the boundaries of the Project Site;
8. NYCHA shall possess insurance policies as required by the NYCHA Mortgage, and the mortgages of HDC and HPD;
9. All escrows, reserves and accounts for the Project required pursuant to the terms of the Master Development Agreement, Regulatory and Operating Agreement, that certain Regulatory Agreement by and among HDC, HPD, Borrower and the HDFC, the NYCHA Mortgage, mortgages of HDC and HPD, any loan documents of HDC, HPD or NYCHA shall be fully funded in their required amounts;
10. The Bank shall have delivered to NYCHA an estoppel certificate which states that there has been no default of which it has given written notice remains uncured under the NYCHA Mortgage;
11. Borrower shall have delivered to NYCHA a copy of the Notice of Satisfaction issued by the New York City Department of Environmental Protection (NYCDEP) evidencing that the Borrower has completed remediation in accordance with the Remedial Action Work Plan as approved by the NYCDEP;
12. Borrower's contact information has been provided or, to the extent applicable, updated;
13. NYCHA shall have received reports for UCC and Federal tax lien searches against Borrower and the HDFC, performed at the New York Secretary of State's office. The UCC search must show no filings (other than in connection with permitted secured loans), or termination statements for any non-permitted filing must be delivered to HDC, HPD and NYCHA. The tax lien search must show no returns;
14. Borrower shall have delivered to NYCHA a copy of the Final Certificate of Eligibility for the tax benefits under Section 420-c of the New York Real Property Tax Law for the Project;
15. NYCHA shall have received certified copies of the rent rolls evidencing at least 95% of the unit are occupied; and
16. Borrower shall have completed and submitted all documentation required by NYCHA for the Permanent Loan Conversion.

General Provisions:

1. Assignment, Waiver and Benefit

This Commitment, when executed by the parties hereto, contains the complete and entire terms, conditions and understandings of the parties hereto of NYCHA's agreement to provide the NYCHA Loan as indicated, and no changes will be recognized as valid unless they are reduced to writing and similarly executed. No specific waiver of any of the terms hereof shall be considered as a general waiver. This Commitment shall be binding upon the successors and assigns of the Borrower, but shall not inure to their benefit unless NYCHA shall specifically consent thereto in writing. Any attempted assignment of this Commitment by the Borrower without NYCHA's consent shall be null and void ab initio.

2. Severability

If any one or more of the terms and conditions provided herein on the part of the Borrower to be performed should be contrary to law, then such covenant or covenants or agreement or agreements shall be deemed severable from the remaining covenants and agreements hereof and shall in no way affect the validity of the other provisions of this Commitment.

3. Applicable Law

This Commitment shall be governed by and construed in accordance with applicable laws of the State of New York without regard to its conflicts of laws principles.

4. Jurisdiction

The Borrower agrees that any suit, action or other legal proceeding arising out of or relating to this Commitment may be brought in a court of record in the State of New York, County of New York, or in the courts of the United States of America located in the Southern District of New York, (b) consent to the jurisdiction of each such court in any such suit, action or proceeding, and (c) waive any objection that it may have to the laying of venue of any such suit, action or proceeding that has been brought in an inconvenient forum. The Borrower irrevocably consents to the service of any and all process in any such suit, action or proceeding by service of copies of such process at the address of the Borrower as set forth herein or such other address as is the Borrower's principal place for business as the Borrower may advise in writing from time to time, or in any proper place under applicable law.

5. Conflicting Provisions

In the event of any conflict between the terms hereof and the terms and conditions of the documents executed at the time of the Construction Loan Closing the documents executed at such closing (as such documents may be amended, supplemented or otherwise modified) shall prevail.

6. Counterparts

This Commitment may be executed in multiple counterparts, each one of which, when so executed and delivered, shall constitute a valid and binding original.

7. Indemnification

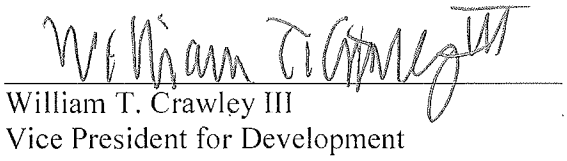
The Borrower covenants and agrees absolutely and unconditionally at its sole cost and expense , to indemnify, defend, and hold harmless NYCHA, and its members, officers, employees, agents, and affiliates and successors and assigns (the "**Indemnified Parties**") from any and all claims (including, without limitation, third party claims for personal injury or real or personal property damage), actions, suits, administrative proceedings (including informal proceedings), judgments, damages, punitive damages, penalties, fines, costs, liabilities, interest or losses (including, without limitation, reasonable outside attorneys' fees and expenses incurred in enforcing this indemnity), consultant fees, and expert fees arising from, out of, by reason of or relating to NYCHA's issuance of this Commitment.

[SIGNATURES ON NEXT PAGE]

Please indicate your acceptance of these terms and conditions of this Commitment by executing and returning two (2) originals of this Commitment by signing below.

Very truly yours,

NEW YORK CITY HOUSING AUTHORITY



William T. Crawley III
Vice President for Development

Accepted and Agreed to:

BORROWER:

OCEANHILL, LLC, a New York limited liability company

By: PPD Partners, LLC, a New York limited liability company, its Managing Member

By: Blue Sea Development Company, LLC, its Managing Member

By: _____
Leslie Bluestone, Member

Please indicate your acceptance of these terms and conditions of this Commitment by executing and returning two (2) originals of this Commitment by signing below.

Very truly yours,

NEW YORK CITY HOUSING AUTHORITY

_____

William T. Crawley III
Vice President for Development

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OCEANHILL, LLC, a New York limited liability company

By: PPD Partners, LLC, a New York limited liability company, its Managing Member

By: Blue Sea Development Company, LLC, its Managing Member

By: _____
Leslie Bluestone, Member

EXHIBIT 1

CONSTRUCTION CONSULTANT'S CERTIFICATE OF COMPLETION

To: The Bank of New York Mellon
One Wall Street, 21st Floor
New York, New York 10286
Attention: Clarence Burleigh

To: New York City Housing Development Corporation
110 William Street
New York, New York 10038
Attention: President

To: The City of New York, acting by and through its
Department of Housing Preservation and Development
100 Gold Street
New York, New York 10038
Attention: Assistant Commissioner, Division of New Construction

To: New York City Housing Authority
250 Broadway, 3rd Floor
New York, New York 10007
Attention: Vice- President for Development

PROJECT: Site improvements at 1765 Prospect Place, Brooklyn, New York, consisting of two (2) six-story residential apartment buildings containing one hundred nine (109) residential rental units of housing and one superintendent's unit, of which thirty-eight (38) Units will also be Public Housing Units subject to the Applicable Public Housing Requirements (the "**Project**")

Reference is made to the scope of work, plans and specifications, working drawings and addenda for design and construction prepared by /_____/ ("**Project Architect**") including any permitted changes, modifications and amendments thereto as more specifically described in **Schedule I** hereto (hereinafter collectively referred to as the "**Plans and Specifications**") relative to the building and improvements (the "**Work**") erected on certain premises known as and by street number 1765 Prospect Place, Brooklyn, New York (Block: 1458, Lot: 52) (collectively, the "**Premises**"). The Work constructed on the Premises shall be referred to as the "**Project**". The Work was performed pursuant to a certain Building Loan Agreement and that certain Project Loan Agreement, each dated as of June 26, 2014, by and among Oceanhill, LLC, HP PPN Development Fund Company, Inc. and the New York City Housing Development Corporation, and in connection therewith the undersigned does hereby certify:

1. That the Work has been periodically observed by the undersigned and has been found to be free from material defects in materials and workmanship and to have been completed substantially in accordance with the Plans and Specifications and in accordance with any permitted modifications and amendments thereof received by this office, as evidenced by our

reports, except for those unfinished or unperformed items of Work set forth on the list annexed

hereto a Schedule II which list also includes the cost of correction and/or completion of the Work. The estimated date for all corrections and/or completions to be finalized is _____, _____;

2. That in the event there was a casualty to the Project, that all Work required to complete the Project based on our observations has been satisfactorily completed;

3. That all necessary utilities are connected to the Project;

4. That Borrower has obtained all required governmental and municipal permits, licenses, certificates and approvals relative to: (A) the installation, alteration, and operation of any equipment on the Premises in connection with the Work; and (B) the occupancy of the Premises, inclusive of such valid certificates of occupancy as are required for the legal occupancy of all buildings intended to be occupied at the Premises;

5. That at the time of our requisition visits to the Project, we did not observe any conditions which would constitute violations of building, housing, maintenance and/or construction codes or violations of the New York Multiple Dwelling Law or the New York Multiple Residence Law and all building code violations of record have been discharged or removed and/or all necessary Work has been done for the discharge or removal thereof;

6. That _____, _____ is the date of substantial completion of the Work, which date is defined as the date when the Work, except for the items set forth on Schedule II hereto, is completed substantially in accordance with the Plans and Specifications, so that the Project can be utilized for its intended purpose, as evidenced by our report dated _____, _____;

7. That it is expressly understood that the periodic observations of the construction consultant and this Certificate of Completion shall not relieve any party from the fulfillment of customary and contractual responsibilities and obligations; and

8. That this Certificate of Completion is for the sole use and benefit of the Bank, the New York City Housing Development Corporation and The City of New York, acting by and through its Department of Housing Preservation and Development, and the New York City Housing Authority, and is not intended to benefit any other parties either incidentally or directly.

/_____/

By:_____
Name:
Title:

Upon observation of the unfinished or unperformed items set forth on Schedule II hereto, we hereby certify that all such items have been completed on or before _____, _____.

/_____/

By:_____
Name:
Title:

EXHIBIT 2

ARCHITECT'S CERTIFICATE

(at completion of project)

TO: NEW YORK CITY HOUSING AUTHORITY
250 Broadway
New York, New York 10007

PROJECT: Prospect Plaza Phase I
Block 1458, Lot 52, Brooklyn, New York

Reference is made to the plans and specifications, working drawings and addenda for design and construction prepared by Dattner Architects D.P.C. including any permitted changes, modifications and amendments thereto as more specifically described in the Schedule I hereto (hereinafter collectively referred to as the "**Plans and Specifications**") relative to the buildings and improvements (the "**Work**") on certain premises located at Kings County Block 1458, Lot 52 (the "**Premises**"). The Work constructed on the Premises shall be referred to as the "**Project**." Dattner Architects D.P.C., being a duly licensed and registered professional architect in the State of New York, does hereby certify to the New York City Housing Development Corporation that to the best of its knowledge and belief:

1. the Plans and Specifications are in substantial compliance with all governmental laws, ordinances, rules, restrictions and regulations (including, without limitation, those with respect to zoning, building, environmental, unit accessibility and adaptability for the disabled matters);

2. the completed building(s) in the Project are in full compliance with the construction and design requirements contained in Chapter 11 of the New York City Building Code or New York City LL 58-87 as applicable, Section 804(f)(3)(C) of the federal Fair Housing Act (42 U.S.C. 3604(f)(3)(C)) and implementing regulations at 24 CFR 100.205, the Americans with Disabilities Act and Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and implementing regulations at 24 part CFR 8;

3. the Project has been constructed substantially in accordance with the Plans and Specifications and is free from material defects in materials and workmanship;

4. all certificates, permits and licenses, required for the Project have been obtained including, without limitation, the electrical, plumbing, heating, insurance and other certificates required by municipal, state or federal governmental or quasi-governmental departments or agencies having jurisdiction over the Project;

5. the Project does not contain any violation of building, housing and maintenance and/or construction codes or violations of the New York Multiple Dwelling Law or the New York Multiple Residence Law;

6. the remaining useful life of the Project extends beyond _____ __, ____;

7. the changes, modifications or amendments to the Plans and Specifications which occurred subsequent to June __, 2014 (the construction loan closing date) do not:

   (a) substantially change the scope or appearance of the Work;

   (b) change the number, distribution or configuration of any unit in the Project;

   (c) change the aggregate number of rooms in any unit of the Project;

   (d) materially reduce the floor area of any unit or other space in the Project; or

   (e) cause similarly designed units not to be similarly constructed.

[_____]

_____

Name:

Date: _____

BORROWER'S ESTOPPEL CERTIFICATE

TO: **NEW YORK CITY HOUSING AUTHORITY**
250 Broadway
New York, New York 10007

PROJECT: Prospect Plaza Phase I

Block 1458, Lot 52, Brooklyn, New York

_____, being duly sworn, deposes and says:

1. I am the _____ of PPD Partners, LLC, which is the Managing Member of Oceanhill, LLC (the "**Borrower**").

2. This affidavit is being made in order to induce the New York City Housing Authority ("**NYCHA**") to convert its loan in the aggregate principal sum of $9,552,392 (the "**NYCHA Loan**") as evidenced by certain notes (collectively, the "**Note**") and secured mortgages (collectively, the "**Mortgage**"), each dated June __, 2014 to permanent financing. I am fully familiar with the Project.

3. All terms not defined in this certificate shall have the meanings ascribed to them in that certain Servicing and Release Agreement by and among HDC, HPD, NYCHA, the Borrower and the Bank, dated as of June 26, 2014.

4. Since the date of the Mortgage and the Note:

(a) the Project has not been damaged by fire, casualty or any other happening which has not been fully repaired;

(b) the Project has not been the subject of any condemnation or other governmental taking, and I know of no actual, impending or threatened judicial or administrative proceeding against Borrower or the Project or any other matter which affects or may affect the Project or which with the passage of time, would be a default under the Mortgage, including, without limitation, any condemnation or other governmental taking proceeding;

(c) neither Borrower nor its members have conveyed, assigned or transferred all or any part of its interests in the Project, nor has all or any part of its membership interests been conveyed, transferred or assigned by the holder or holders thereof, except as permitted under the Mortgage or Loan Agreement. There have been no changes to the amended and restated agreement of Borrower presented by Borrower at construction loan closing or if there have been changes (i) such changes are described in the attachment hereto and (ii) such changes have been approved by HDC to the extent required by the Regulatory Agreement or approved by

NYCHA to the extent required by the Regulatory and Operating Agreement or are otherwise permitted under such Agreements.

(d) except as set forth in Exhibit __, there has been no material adverse change in the assets, liabilities or condition, financial or otherwise, of Borrower.

(e) there has been no material diminution in value of the Project as a result of a tenants' rent strike or other increase in the number of tenants withholding payment of their rent or similar occurrence.

5. All material representations and information set forth in Borrower's application for financing with respect to the NYCHA Loan are true, complete and correct as of the date hereof and all representations and information by and about Borrower set forth in the documents executed regarding the NYCHA Loan are materially true, complete and correct in all material respects.

6. There are no unrecorded contracts or options to purchase Borrower's interest in the Project.

7. To the best of my knowledge, except as set forth in the Environmental Reports (as such term is defined in the LC Agreement), the Project has not been constructed with or used for, or affected by, any activities involving any Hazardous Substance (as defined in the NYCHA Mortgage).

8. To the best of my knowledge, except as set forth in the Environmental Reports (as such term is defined in the LC Agreement), the Project is not currently used in a manner (and I know of no prior use) which violates applicable federal, state or local environmental laws; neither Borrower, nor to my knowledge, any tenant has received any notice from a government agency for violation of any such environmental laws and Borrower has no intention to use the Project in such manner.

9. All tenants of the Project occupy their respective spaces pursuant to written leases, which leases are subject and subordinate to the NYCHA Mortgage, as said NYCHA Mortgage may hereinafter be extended, modified or consolidated. Said leases do not contain any options to purchase the Project or rights of first refusal.

10. All residential leases are on a standard form, a sample of which is annexed hereto as Schedule A which standard form provides for rent increases as and when permitted by the New York State Homes and Community Renewal (the "HCR") and are in compliance with the applicable legal requirements pertaining to those units which are public housing.

11. Annexed hereto as Schedule B are true, correct, complete and accurate copies of all non-residential lease agreements for the Project, if any.

12. Annexed hereto as Schedule C is a copy of the current rent roll for the Project (the "Rent Roll"), which is true, correct and complete as of the date hereof. All rents are within the legal rentals permitted by applicable law and regulations.

13. All of the rental units set forth in the Rent Roll (other than those noted as vacant) are currently rented, and the monthly rental amounts reflected therein were collected from all respective tenants for the most recent month (and prior months), except as specifically set forth in the Rent Roll. (If a tenant is in arrears for more than sixty (60) days or if any rental amount set forth in the Rent Roll is not "legally collectible" as of the date of this Affidavit, I have annexed hereto, as Exhibit 1, an explanatory statement detailing the actions taken or being taken to rectify the situation, which statement I certify to be true, correct and complete.)

14. There are no agreements, written or oral, in effect with any tenant for the abatement of any rent set forth in the Rent Roll.

15. There is no litigation, pending or, to the best of the undersigned's knowledge after due inquiry, threatened, against Borrower which might interfere with or materially adversely affect Borrower's ability to repay the Loan.

17. All entities performing services or furnishing materials for construction work on or to the Project have been paid in full, or, if such amount is being disputed, sufficient amounts are bonded, to the satisfaction of HDC, NYCHA and HPD in their sole and absolute discretion, to ensure such payment.

18. The remaining useful life of the Project is greater than the term of the NYCHA Mortgage.

19. To the best of my knowledge, the Project does not contain any violation of local building, housing and maintenance and/or construction codes or violations of the New York Multiple Dwelling Law or the New York Multiple Residence Law.

20. Borrower has not made an assignment for the benefit of creditors, nor has any trustee, receiver or liquidator of the Project or any part thereof, or of Borrower been appointed by an order of a court of competent jurisdiction without having been discharged or dismissed within ninety (90) days after such appointment, nor has Borrower filed a petition for bankruptcy or has such a petition been filed against it without having been dismissed within ninety (90) days after the filing thereof, nor has Borrower commenced a voluntary case under any applicable bankruptcy, insolvency or other similar law, nor consented to the entry of an order for relief in an involuntary case under any such law or to be appointed of or taking possession by a receiver, liquidator, assignee, trustee, custodian, sequestrator or other similar official of Borrower or of any substantial part of its property, nor has Borrower failed generally to pay its debts as such debts become due, nor have any of the creditors of Borrower commenced against Borrower an involuntary case under any applicable bankruptcy, insolvency or other similar law without such case having been discharged or dismissed within ninety (90) days after the date on which such case was commenced, nor has Borrower taken any action in furtherance of any of the foregoing.

21. The principal amount of the Mortgage including the project mortgage, if any, equals $_____, and has been advanced to Borrower and such amounts are outstanding. Borrower is not in default under the Mortgage or the Note secured thereby and there are no claims, defenses or setoffs to said mortgages or the notes secured thereby.

22. Borrower has rented the Project pursuant to, and otherwise is in compliance with, the provisions of the Regulatory Agreement and the Regulatory and Operating Agreement dated as of June 26, 2014, as may have been amended.

23. The first occupancy of a residential unit in the Project occurred on _____; 100% of the units were rented on _____.

24. Neither Borrower, its members nor any of their officers, directors, principals, partners, or members as the case may be, is, or has been within the last five years, the subject of any civil or criminal investigation by any governmental body or any administrative proceeding with respect to the business practices of Borrower, its members or any of their officers, directors, principals, or partners, or members as the case may be.

25. Neither Borrower, its members or any of their officers, directors, principals or partners, or members as the case may be, has been found by any court of competent jurisdiction in a civil or criminal action to have violated any laws in connection with the business practices of Borrower, its members or any of their officers, directors, principals or partners, or members as the case may be.

These certifications are given to NYCHA with the understanding that NYCHA intends to rely upon the certifications made herein.

[signature page follows]

IN WITNESS WHEREOF, I have hereto made this affidavit the ____ day of June, 2014.

BORROWER:

OCEANHILL, LLC, a New York limited liability company

By: PPD Partners, LLC, a New York limited liability company, its Managing Member

By: Blue Sea Development Company, LLC, its Managing Member

By: _____
Leslie Bluestone, Member

Sworn to before me this ____ day of June, 2014.

_____
Notary Public

REDSTONE
EQUITY PARTNERS

April 11, 2014

Mr. Avery Seavey & Mr. Les Bluestone
Blue Sea Development Company, LLC
60 East 42nd St. Suite 1835
New York, NY 10165

Mr. Richard Barnhart
Pennrose Properties, LLC
1301 North 31st Street
Philadelphia, PA 19121

Re: Prospect Plaza North
Brooklyn, New York

Dear Mr. Seavey, Mr. Bluestone and Mr. Barnhart,

Red Stone Equity Partners, LLC ("Red Stone") is pleased to be given an opportunity to submit a proposal on Prospect Plaza North ("Project") located in the Brooklyn, New York. This letter serves as an outline of the business terms regarding the acquisition of Investor Membership interests in Oceanhill LLC (the "Company") that will own the Project. Red Stone or its designee (the "Investor Member") will acquire a 99.99% Investor Membership interest (the "IM Interest") and a 0.001% special Investor Membership interest (the "SLP Interest") in the Company. The terms of this proposal are subject to ratification and countersignature by Red Stone's investment committee as described below. Furthermore, this proposal is neither an expressed nor implied commitment by Red Stone or any of its affiliates to provide equity financing to the Project. Any such commitment shall only be as set forth in a to-be-negotiated agreement of Investor Membership and will be subject to, among other things, (i) satisfactory transaction structure and documentation, (ii) satisfactory due diligence, including third party reports and (iii) other standard conditions for transactions of this type as described more fully in Paragraphs 13 and 14 below.

1. **Project Information.** The Company has been formed to acquire, own, develop and operate the Project, which is anticipated to be eligible to claim Low Income Housing Tax Credits ("Housing Credits") under Section 42 of the Internal Revenue Code ("Code"). The Project will consist of 110 residential units for rent to low-income individuals and/or families. The Project will consist of 2 residential buildings located at 1765 Prospect Place located in Brooklyn, Kings County, within the State of New York. Within the Project, 109 of the units are expected to be Housing Credit compliant, with 1 additional unit being designated as management unit. The residential units mix shall reflect the detail below and shall conform to any other set-asides as required by the New York City Department of Housing Preservation & Development. The means for such conformance shall be reviewed by and be acceptable to Red Stone.

2 Grand Central Tower, 140 East 45th Street
15th Floor, New York, NY 10017
tel. 212.994.1900 www.redstone[illegible]
Charlotte • Chicago • Cleveland • Los Angeles • New York

Unit Type	Number of Units	Income Restrictions
1BR/1BA	6	40% AMI (ACC)
2BR/1BA	30	40% AMI (ACC)
3BR/2BA	2	40% AMI (ACC)
1BR/1BA	2	50% AMI (HOME)
2BR/1BA	11	50% AMI (HOME)
3BR/2BA	1	50% AMI (HOME)
1BR/1BA	10	60% AMI
2BR/1BA	44	60% AMI
3BR/2BA	3	60% AMI
2BR/1BA	1	MGR

The construction and lease-up schedule expected for the Project, and upon which the credit pricing and deal terms are contemplated herein, are as follows:

Benchmark	Date
Closing Date	June, 2014
Completion Date	June, 2016
First Unit Leased	June, 2016
Last Unit Leased	August, 2016
Permanent Loan Conversion	November, 2016

2. **Project Ownership**. PPD Partners, LLC (the "Managing Member") is a single purpose, taxable, bankruptcy remote entity with a 0.009% ownership interest in the Company, and will be owned by Blue Sea Development Company, LLC ("Blue Sea"), Pennrose Properties, LLC ("Pennrose"), Duvernay & Brooks LLC ("D&B"), and Rosenberg Housing Group ("RHG"). Any change in the ownership of the Managing Member shall be subject to Red Stone's consent. The anticipated ownership structure and other key Project participants are set forth below. Further, the New York City Housing Authority ("NYCHA") will enter into a 99-year ground lease with the Company.

Entity	Name	Ownership Interest
Managing Member	PPD Partners, LLC	0.009%
Investor Member	Red Stone – Fund 31 Investor Membership	99.99%
Special Investor Member	Red Stone Equity Manager, LLC	0.001%
Developer	PPD Partners, LLC	
Guarantors[1]	Developer, Managing Member, Blue Sea, Pennrose, D&B, and Blue Sea Construction Co., LLC	

[1] The Guarantors will guarantee certain of the Managing Member's obligations set forth in Paragraph 7 herein, will do so on a joint and several basis, and will be subject to the review and approval of Red Stone. Notwithstanding the above, the sole Guarantors of the "Construction Completion Guarantee" obligation set forth in Paragraph 7(A) herein will be Blue Sea and Blue Sea Construction Co., LLC.

General Contractor	Blue Sea Construction Co., LLC	
Property Manager	Cornell Pace, Inc.	

3. Tax Credits. The Project has received an allocation of 4% Housing Credits from the New York City Department of Housing Preservation & Development (the "Agency") in an anticipated annual amount of $1,723,425. The total Housing Credits anticipated to be delivered to the Company is $17,234,250 (the "Projected Federal LIHTC").

The following schedule sets forth the assumed delivery of the Projected Federal LIHTC.

Year	Housing Credits
2016	$863,030
2017	$1,723,425
2018	$1,723,425
2019	$1,723,425
2020	$1,723,425
2021	$1,723,425
2022	$1,723,425
2023	$1,723,425
2024	$1,723,425
2025	$1,723,425
2026	$860,395

Any decision to delay the commencement date of the Housing Credit period beyond 2016 is subject to Red Stone's consent. In addition, any decision to commence the Housing Credit period prior to January 1, 2015 is subject to Red Stone's consent.

4. Capital Contribution. Red Stone will acquire its Investor Member Interest in the Company for a total capital contribution of $19,989,731, subject to adjustment in Paragraph 5 below. This capital contribution is based on the following pricing:

Credit Type	Total amount	LP amount	Pricing Factor	Equity
Projected Federal LIHTC	$17,234,250	17,232,530	$1.16	$19,989,731
			Total	$19,989,731

The above pricing assumes 100% of residential depreciation being taken over 27.5 years; 100% of depreciation on site improvements being taken over 15 years; and 100% of depreciation on personal property being taken over 5 years. The allocation of the depreciable line items is subject to Red Stone's review and approval.

Red Stone will fund its capital contribution pursuant to the following schedule:

A. 5.0% ($990,487) shall be paid upon the later of (a) the execution of the Company Agreement, (b) receipt and approval of all due diligence items on Red Stone's due diligence checklist, (c) receipt by the Company of commitment for a non-recourse permanent loan acceptable to Red Stone, (d) receipt of commitments of the additional financing sources described in Paragraph 11, and (e) closing and initial funding of the construction loan and the soft loans.

B. 5.0% ($990,487) shall be paid upon the later of (a) satisfaction of the funding conditions described in (A) above, (b) achievement of 75% construction completion as certified by the Project architect and as verified by Red Stone, and (c) January 1, 2016.

C. 77.0% ($15,392,093) upon the later of (a) satisfaction of the funding conditions described in (B) above, (b) receipt of permanent certificates of occupancy, (c) receipt of an architect's certificate of substantial completion, (d) receipt of Investor Member's construction consultant's report verifying substantial completion, (e) receipt of draft cost certification from an independent certified public accountant, and (f) July 1, 2016. In the event that the Project has received temporary certificates of occupancy, but not permanent certificates of occupancy, Red Stone may withhold from the this installment an amount equal to 110% of the cost of any construction work remaining to be done in order for the Company to obtain all permanent certificates of occupancy for the Project. The amount withheld by Red Stone shall be payable to the Company upon the receipt by the Company of all permanent certificates of occupancy for the Project.

D. 8.0% ($1,599,178) upon the later of (a) satisfaction of the funding conditions described in (C) above, (b) receipt of permanent certificates of occupancy, (c) receipt of the final cost certification from an independent certified public accountant, (d) repayment of the construction loan and funding of the Project's permanent mortgage (or such condition will be met concurrently with the payment of this installment), (e) satisfaction of all funding conditions required for the permanent mortgage, including without limitation, three consecutive months of a 1.15 to 1.00 Debt Service Coverage ratio ("DSC") and 90 days of 90% occupancy, (f) achievement of 100% qualified occupancy, (g) calculations of the preliminary adjusters have been prepared, and (h) October 1, 2016.

E. 5.0% ($990,487) upon the later of (a) satisfaction of the funding conditions described in (D) above, (b) receipt of IRS Form 8609s and a recorded extended use agreement, (c) receipt and review of an acceptable initial tenant file audit, and (d) calculations of final adjusters have been prepared.

5. Adjusters.

A. Increase or Decrease in Housing Credits. In the event that actual Housing Credits as determined by the cost certification and 8609s exceeds Projected Federal LIHTC, Red Stone will pay an additional capital contribution equal to the product of (i) $1.16 multiplied by (ii) the difference between the actual Federal LIHTC and the Projected Federal LIHTC. In the event that actual Housing Credits as

determined by the cost certification and 8609s are less than Projected Federal LIHTC, Red Stone's capital contribution will be reduced by an amount equal to the product of (i) $1.16 multiplied by (ii) the difference between the Projected Federal LIHTC and the actual Federal LIHTC ("Adjustment Amount"). If the Adjustment Amount exceeds the total of all unfunded capital contributions, then the Managing Member will make a payment (which payment shall be guaranteed by the Guarantors) to the Company equal to the amount of such excess, and the Company will immediately distribute such amount to Red Stone as a return of its capital contribution.

B. Timing of Housing Credit Delivery. In addition to the Adjustment Amount, Red Stone's capital contribution will be similarly reduced in the event that the actual delivery of Housing Credits is slower than the anticipated schedule set forth in Paragraph 3. The amount (the "Late Delivery Adjustment") of this reduction will equal the product of (i) $0.75 multiplied by (ii) the difference in the Projected Federal LIHTC and actual Housing Credits for such years. Conversely, in the event that the actual delivery of Housing Credits exceeds the anticipated schedule set forth in Paragraph 3, Red Stone will pay an additional capital contribution (the "Early Delivery Adjustment") equal to the product of (i) $0.65 multiplied by (ii) the difference between actual Housing Credits and the Projected Federal LIHTC, with such amount to be capped at $300,000. Red Stone will pay such additional capital contribution at the funding of its final capital contribution installment.

Notwithstanding the above, in no event will the net additional Capital Contribution to be paid by Red Stone exceed 5% of the total original Capital Contribution amount, and Red Stone will pay such additional Capital Contribution at the funding of its final capital contribution. In the event that there is an upward adjustment which would result in a Capital Contribution greater than 5% of the total original Capital Contribution amount and the Investor Member chooses not to purchase such additional tax credits, then the percentage interests of the partners will be adjusted accordingly so that the excess credits for which the Investor Member is not making a capital contribution will be allocated to the Managing Members.

6. Reserves. The Company will fund the following reserves:

A. Operating Reserve. The Company will fund and maintain an Operating Reserve to be funded from the fourth Capital Contribution in an amount equal to the greater of (a) $381,029; or, (b) six (6) months of underwritten operating expenses, replacement reserves and mandatory debt service on the Project's 72 non-ACC units (the "Minimum Balance"). Any release of funds from the Operating Reserve will be subject to Red Stone's reasonable consent, with the understanding that NYC HDC may require holding a portion of the Operating Reserve. Pursuant to Paragraph 10(B), the Operating Reserve will be replenished up to the Minimum Balance from cash flow to the extent withdrawals are made. No withdrawals may be made from the Operating Reserve until the Maximum ODG Amount (as defined in Paragraph 7(B) below) is funded by the Managing Member, as required pursuant to Paragraph 7(B)(ii) below. To the extent the balance of the Operating Reserve is less than the Minimum Balance at the expiration of the ODG Period as described in Paragraph 7(B)(ii) below, the Managing Member shall cause the Operating Reserve to be replenished back to the Minimum Balance and the ODG Period shall be extended until such Operating Reserve has been replenished. The Operating Reserve shall remain an asset of the Company and shall be subject to distribution in accordance with Paragraph 10(C) below, subject to the approval of any project lenders.

B. Replacement Reserve. The Project operating expenses will include the funding of a Replacement Reserve in the amount of $250 per unit or such other amount specified by the project lenders increasing by 3% per annum. Any release of funds from the Replacement Reserve will be subject to Red Stone's reasonable consent.

C. ACC Reserve. An ACC Reserve in the minimum amount of $171,000 shall be established for the benefit of the Company in a segregated account no later than the making of the Fourth Capital Contribution. Any release of funds from the ACC Reserve will be subject to Red Stone's reasonable consent. The ACC Reserve shall remain an asset of the Company and shall be subject to distribution in accordance with Paragraph 10(C) below, subject to the approval of any project lenders. Further, this reserve may be utilized to fund operating deficits in the event the Operating Reserve in 6(A) above is depleted.

D. Social Service Reserve. A Social Service Reserve in the minimum amount of $100,000 shall be established for the benefit of the Company in a segregated account no later than the making of the Fourth Capital Contribution. Terms of use of the Social Service Reserve will be negotiated in the Operating Agreement, with the City's approval.

7. **Guarantees**. The Guarantors will guarantee the following obligations of the Managing Member:

A. Construction Completion Guarantee. The Guarantors shall guarantee the Managing Member's obligation of lien-free completion of the Project in accordance with the plans and specifications approved by Red Stone for the amount set forth in the approved project development budget. The Construction Completion Guarantee will provide that the Guarantors shall pay any amount in excess of the approved project development budget as well as any Project deficiency arising prior to Stabilized Operations (as defined in Paragraph 7(B) below). Payments made under this guaranty will not constitute loans to the Company or capital contributions and no Guarantors will have any right to receive any repayment on account of such payments.

B. Operating Deficit Guarantee. The Guarantors will agree to advance to the Company any amounts required to fund operating deficits arising after the expiration of the Construction Completion Guarantee, if needed, as follows:

(i) The guarantee shall be unlimited until the Project achieves "Stabilized Operations". Stabilized Operations is to be defined as the later to occur of (i) construction loan payoff and conversion to approved non-recourse permanent financing; and (ii) rental income generated from the Project is sufficient to pay all operating expenses of the Project, including, without limitation, all actual or anticipated mandatory debt service; real estate taxes; insurance premiums; management fees; and replacement and operating reserve deposits and maintain a debt service coverage ratio of not less than 1.15 to 1.00 for 3 consecutive months after funding and commencement of amortization of the Project's permanent loan. To the extent applicable, if Project income is insufficient to enable the Project to attain the required debt service coverage necessary for the closing or conversion of all permanent loans, the Guarantors will agree to pay down the construction loan in an amount necessary to allow the Project to cause the closing or conversion

of all permanent loans by the conversion date required by the lender(s). Up to $500,000 in payments made under this guarantee shall constitute loans to the Company; any additional payments made under this guarantee shall not constitute loans to the Company or capital contributions and no Guarantors will have any right to receive any repayment on account of such payments.

(ii) Following (i) above, for a period of 36 months following the achievement of Stabilized Operations (the "ODG Period"), the amount shall be limited to the greater of (a) $550,000; or (b) six (6) months of underwritten operating expenses, replacement reserves and mandatory debt service on the Project's 110 units (the "Maximum ODG Amount"), and will be released provided the Project maintains a minimum of 1.15 to 1.00 debt service coverage ratio over each of the last consecutive 3 quarters of the ODG Period. Any amounts so advanced will constitute interest-free loans ("Operating Deficit Loan") repayable out of future available cash flow or out of available proceeds of a sale or refinancing described in Paragraph 10.

C. Repurchase Guarantee. The Guarantors will repurchase Red Stone's interest upon the occurrence of certain events described below and as more fully described in the Company agreement.

(i) If the Project fails to meet the 50% test;

(ii) IRS Form 8609 is not issued by the Agency so as to allow the Housing Credit period to begin in 2016 (or such other date as may be consented to by the Special Investor Member);

(iii) The Company fails to meet the minimum set-aside test and the rent restriction test by the close of the first year of the Housing Credit period, and, if applicable, such failure has not been cured within a reasonable time;

(iv) An Extended Use Agreement is not in effect before the end of the first year of the Housing Credit period;

(v) Repayment of the construction loan (or release of the letter of construction letter of credit) and funding/conversion of the Project's permanent mortgage prior to their maturity date and expiration date, respectively (or extended dates should all lenders consent to such extensions);

(vi) Breakeven operations have not occurred within 18 months following substantial completion, unless upon the consent of the Investor Member, the Managing Member pays down Project indebtedness to allow such to occur, or establishes an escrow account in the Company's name which shall support the negative cash flow projected for the Project for the remainder of the Housing Credit compliance period;

(vii) At any time before breakeven operations, (1) an action is commenced and successfully executed to foreclose, abandon, or permanently enjoin construction of the apartment complex; (2) there is a final determination that the apartment complex will qualify for less than 85% of the Projected Federal LIHTC; or (3) commitments received by the Company for any Project loans are withdrawn, and comparable commitments have not been received within 90 days of such withdrawal.

D. Housing Credit Shortfall and Recapture Guarantee. In addition to the Housing Credit and Timing Adjusters set forth in Paragraph 5, if the actual amount of Housing Credits for any year is less than Projected Federal LIHTC set forth in Paragraph 3, as adjusted by Paragraph 5, the Guarantors will guarantee payment to the Investor Member of an amount equal to the shortfall, or recapture amount, plus all applicable fees, penalties or other costs incurred by the Company and/or Red Stone as a result

of such shortfall or recapture. Notwithstanding the foregoing, the Guarantors shall guarantee only the following if, at any time after Stabilized Operations and before the end of the Housing Credit compliance period applicable to each building comprising the Project for purposes of the Housing Credits, it is determined that for any tax year all or any portion of the reported credits are recaptured or disallowed as a result of any of the following events:

(i) Substantial destruction of any of dwelling units in the Project which is not timely repaired due to, in whole or in part the failure of the Company to pay the required insurance premiums to fund the insurance coverage required by the lender;

(ii) the foreclosure of mortgage loan or construction loan due to the Managing Member's and/or Developer's failure to fund excess development costs and operating deficits as required of this agreement; or

(iii) the Managing Member fails to maintain the tenant base and rent levels of the Project at levels meeting the applicable qualification criteria for the credits (unless such failure is the result of circumstances beyond the Managing Member's control or the Agency or another governmental agency with jurisdiction over the Project requires the company to violate the aforementioned tenant criteria).

E. Environmental Indemnification. The Company and the Guarantors, jointly and severally, shall indemnify and hold harmless the Investor Member from and against all claims, actions, causes of action, damages, costs, liability and expense incurred or suffered based upon a violation of environmental laws, or respecting the presence of environmental hazards.

F. Guarantors. The Guarantors will guarantee all of the Managing Member's obligations including those set forth above. The Guarantors will maintain a minimum liquidity of $2,000,000 and a minimum net worth of $5,000,000. The Guarantors will provide Red Stone with annual financial statements evidencing compliance with the liquidity and net worth covenants above.

8. Construction. The Managing Member will arrange for a fixed or guaranteed maximum price construction contract in the anticipated amount of $30,628,309. The Managing Member shall cause lien-free completion to occur, with this obligation guaranteed by Blue Sea and Blue Sea Construction Co., LLC. Red Stone will look to share the lender's construction consultant to review plans and specifications and evaluate the construction progress by providing monthly reports to the Company, with the cost of the construction consultant borne by the Company.

9. Fees. The following fees will be paid by the Company for services rendered in organizing, developing and managing the Company and the Project.

A. Developer Fee. The Developer will earn a developer fee of $4,511,978. The portion of the developer fee that will not be paid out of the Capital Contributions will be deferred and payable by the Company to the Developer as a distribution of net cash flow in accordance with Paragraph 10(B). The deferred amount is projected to be $583,087. The balance of the developer fee that is not projected to be permanently deferred is projected to be $3,928,891 ("Cash Development Fee") will be paid out of the Capital Contributions in amounts not to exceed the following (each stated as a percentage of Cash Development Fee):

Capital Contribution #	Cash Development Fee Amount or %
First Capital Contribution	0%
Second Capital Contribution	0%
Third Capital Contribution	50%
Fourth Capital Contribution	0%
Fifth Capital Contribution	50%

The deferred amount will be payable out of available cash flow and will mature on the 13th anniversary of the placed-in-service date ("Maturity Date"). If the deferred portion of the developer fee has not been repaid upon the Maturity Date, to the extent included in eligible basis and necessary at the time of 8609, the Managing Member will be required to advance the Company the amount equal to the unpaid balance of the deferred amount. If such contribution is required by the Managing Member, and subject to the approval of the Investor Member's tax counsel, Company losses will be allocated to the Managing Member to offset income created from the Managing Member's contribution.

B. Property Management Fee. The property management fee will not exceed a total of 6.0% of gross collected rents. All of the property management fee will be paid as an operating expense. Further, if the management agent is an affiliate of the Managing Member, the management agent will accrue such portion of the management fee that is necessary to avoid any defaults under any of the Project loan documents. The appointment of, and terms of the property management agreement, are subject to the prior approval of Red Stone.

C. Asset Management Fee. The Company will pay Red Stone an annual asset management fee in an amount equal to $5,000 per annum. The asset management fee will be paid annually and such fee shall accrue beginning at closing, with the first payment due and payable on or before March 1, 2015, and each anniversary thereafter. The asset management fee will increase annually by 3% annually.

D. Incentive Management Fee. An incentive management fee may be payable to the Managing Member on an annual basis in an amount equal to 90% of net cash flow, or such other amount as determined by and acceptable to tax counsel to Red Stone.

10. **Distribution of Tax and Cash Benefits.**

A. Tax Benefits. Tax profits, tax losses, and tax credits arising prior to the sale or other disposition of the Project will be allocated 99.99% to the Investor Member, .001% to the Special Investor Member and .009% to the Managing Member. The Investor Member will have the right in its sole discretion to undertake a limited deficit restoration obligation at any time during the term of the Company.

B. Net Cash Flow Distributions. Distributions of net cash flow, as defined in the Company Agreement, but generally all cash receipts less cash expenditures (e.g., payment of debt service and property management fee), will be made as follows:

(i) to the Investor Member in proportion to any tax liability incurred by such partner;

(ii) to the Investor Member, to make any payment of any unpaid tax credit adjuster or any tax credit shortfall or other debts owed to the Investor Member;

(iii) to replenish the Operating Reserve account to the Minimum Balance;

(iv) to the Investor Member as payment of any unpaid Asset Management Fee;

(v) to the payment of any unpaid developer fee, until such fee has been paid in full;

(vi) to the payment of any debts owed to the Managing Member;

(vii) 90% to the payment of any incentive management fee, or such other amount as determined by and acceptable to tax counsel; and

(viii) the balance, .009% to the Managing Member, .001% to the Special Investor Member, and 99.99% to the Investor Member, or such other amount determined by and acceptable to tax counsel.

C. Distributions upon Sale or Refinance. Net proceeds resulting from any sale or refinance will be distributed as follows:

(i) in accordance with subparagraphs 8B(i) through (ii) above;

(ii) in accordance with subparagraphs 8B(iv) through (vi) above;

(iii) to the Special Investor Member, 1% of net sales proceeds (proceeds remaining after repayment of all Company debts) as a Company liquidation fee;

(iv) the balance, 90% to the Managing Member, 9.99% to the Investor Member, and .01% to the Special Investor Member, or such other amount as determined by and acceptable to tax counsel.

11. **Debt Financing**. As a condition to funding the capital contribution described in Paragraph 4, the Managing Member will deliver the loan commitments described below. The terms of these loans and/or financing sources are subject to Red Stone's consent and all loans will be made directly from the lenders to the Company.

A. Permanent Loan. The Company expects to receive non-recourse permanent loan commitments in the maximum amounts and the terms set forth below:

Name	Loan Amount	Hard / Soft Debt	Interest Rate	Term (mos.)	Amort. (mos.)	% of Cash Flow
HDC Tax Exempt Bonds	$2,350,000	Hard	5.95%	360	360	N/A
HDC Subsidy Loan	$4,680,000	Hard, I/O	1.00%	360	360	N/A
HPD Subsidy Loan	$6,600,000	50% Hard	1.00%	360	360	N/A

		50% accrued I/O				
NYCHA HOPE VI Loan	$6,891,000	Soft	0.25%	360	360	0%
NYCHA RHF	$1,538,000	Soft	0.25%	360	360	0%
NYSERDA Funds	$132,000	Soft	0.00%	360	360	0%

B. Construction Loan. In addition to the permanent financing sources described above, it is expected that the project will be financed with a first-lien position, tax exempt construction bonds in the anticipated amount of $21,800,000 with an approximate interest rate of TBD% and a term of not less than 24 months.

C. Annual Contributions Contract ("ACC") Rental Subsidy. The Company shall enter into an ACC for a minimum of 38 residential units, which shall generate additional annual rental subsidies for the benefit of the Company up to the amount of $171,000 ($375 pupm), which shall be subject to an annual reconciliation. The Managing Member shall use its reasonable efforts to maintain and preserve such ACC rental subsidies throughout the compliance period in addition to seeking out any additional rental subsidies that may be available. NYCHA and the LLC will enter into a Regulatory & Operating Agreement (R&O) in connection with the financing, which will govern the terms and conditions of the ACC subsidy.

12. **Purchase Option and Right of First Refusal**. For a period of 2 years following the credit period, the Managing Member shall have an option to purchase the Project at the end of the compliance period for a purchase price equal to the greater of (i) fair market value or (ii) the sum of the amount of indebtedness secured by the Project, which indebtedness may be assumed by the Managing Member at its discretion, the amount of the federal, state, and local tax liability that the Investor Member would incur as a result of the sale and any amount of credits below the amount stated in Paragraph 3.

13. **Due Diligence, Opinions and Financial Projections**. The Managing Member will satisfy all of Red Stone's due diligence requirements, including an acceptable local law opinion. The Investor Member's tax counsel will provide the tax opinion. The Company will reimburse the Investor Member an amount equal to $0 toward the costs incurred by the Investor Member in conducting its due diligence review and for the costs and expenses of Red Stone's counsel and in connection with the preparation of the tax opinion, and for the costs of Red Stone's other third party reports. The financial projections to be attached to the Company Agreement and that support the tax opinion will be prepared by Red Stone based on financial projections provided by the Managing Member. The Managing Member financial projections will include eligible basis calculations, sources and uses, and cash flow statements.

14. Company Closing. Final Company closing will be contingent upon Red Stone's receipt, review and approval in its sole discretion of all due diligence including the items set forth on its due diligence checklist to be delivered to the Managing Member. Final Company closing also is contingent upon (i) a satisfactory site visit conducted by Red Stone to determine overall market feasibility, including an analysis of proforma rents and expenses and (ii) Red Stone's review and approval of all third party reports including a Physical Needs Assessment and the construction budget. Red Stone's agreement to acquire the LP Interest on the pricing, terms and conditions contained in this letter are further based on the assumption that the Company closing will occur on or before August 31, 2014. Terms and credit pricing herein shall be valid until the Closing Date.

Red Stone will use reasonable efforts to keep the tax credit pricing and terms outlined in this letter constant though such date, but Red Stone reserves the right in its sole discretion to modify the tax credit pricing or other terms to be consistent with market conditions.

15. Exclusivity. Upon the execution of this Letter of Intent, the Managing Member agrees to cease its efforts to obtain financing from other sources. This exclusive arrangement shall terminate should Red Stone notify the Managing Member in writing that it does not intend to proceed with this investment any time prior to ratification by the Red Stone investment committee. Further, Red Stone will have a right of first refusal on any future phases of the Project.

The remainder of this page has been left intentionally blank.

Please confirm your acceptance of the terms described in this letter by signing the enclosed counterpart and returning to us at the address set forth on the first page of this letter. The terms of this letter are not binding until countersigned and accepted by an authorized officer of Red Stone.

Sincerely,

By:
Name: Chris Murray
Title: Director

The undersigned approves and accepts the terms of this letter agreement and agrees to work with Red Stone.

MANAGING MEMBER:

By:
Its:
Date:

MANAGING MEMBER:

By:
Its:
Date:

MANAGING MEMBER:

By:
Its: Mark H. Dunaby President Pennsylvania Prop. Inc G.P.
Date: 4-11-14

GUARANTOR:

By:
Its: Mark H. Dunaby, President Pennsylvania Prop. Inc G.P.
Date: 4-11-14

GUARANTOR:

By:
Its:
Date:

GUARANTOR:

By:
Its:
Date:

GUARANTOR:

By:
Its:
Date:

Please confirm your acceptance of the terms described in this letter by signing the enclosed counterpart and returning to us at the address set forth on the first page of this letter. The terms of this letter are not binding until countersigned and accepted by an authorized officer of Red Stone.

Sincerely,

By: _____
Name: Chris Murray
Title: Director

The undersigned approves and accepts the terms of this letter agreement and agrees to work with Red Stone.

MANAGING MEMBER:

PPD Partners LLC
By: Blue Sea Development Company LLC
By: _____, member
Its: Managing member
Date: 4-14-14

MANAGING MEMBER:

By: _____
Its: _____
Date: _____

GUARANTOR:

Blue Sea Development Company LLC
By: _____, member
Its: member
Date: 4-14-14

GUARANTOR:

By: _____
Its: _____
Date: _____

GUARANTOR:

By: _____
Its: _____
Date: _____

GUARANTOR:

By: _____
Its: _____
Date: _____

Red Stone acknowledges and accepts the above signature of the Managing Member within the terms of this commitment letter. This letter of intent was countersigned by Red Stone on the _____ day of ____, 201_.

By: _____
Title: _____
Date: _____

Please confirm your acceptance of the terms described in this letter by signing the enclosed counterpart and returning to us at the address set forth on the first page of this letter. The terms of this letter are not binding until countersigned and accepted by an authorized officer of Red Stone.

Sincerely,

By: _____
Name: Chris Murray
Title: Director

The undersigned approves and accepts the terms of this letter agreement and agrees to work with Red Stone.

MANAGING MEMBER:

By: _____
Its: _____
Date: _____

MANAGING MEMBER:

By: _____
Its: _____
Date: _____

MANAGING MEMBER:

By: _____
Its: Jon Brooks Duvernay + Brooks
Date: 4/14/14

GUARANTOR:

By: _____
Its: Jon Brooks Duvernay + Brooks
Date: 4/14/14

GUARANTOR:

By: _____
Its: _____
Date: _____

GUARANTOR:

By: _____
Its: _____
Date: _____

GUARANTOR:

By: _____
Its: _____
Date: _____

NYC HDC

NEW YORK CITY
HOUSING DEVELOPMENT
CORPORATION

Melissa Barkan
Deputy General Counsel

June 26, 2014

Oceanhill, LLC
c/o Blue Sea Development Company, LLC
164 Main Street
Huntington, NY 11743
Attention: Leslie Bluestone

Re: Prospect Plaza I
1765 Prospect Place
Block: 1458 Lot: 52
Brooklyn, New York (the "Project")

Dear Mr. Bluestone:

The Project is being financed by the New York City Housing Development Corporation ("HDC") with the proceeds of HDC's tax-exempt Multi-Family Housing Revenue Bonds 2014 Series C-1, which bonds are subject to the private-activity bond volume cap and which generate low income housing tax credits ("LIHTC"). The New York City Department of Housing Preservation and Development ("HPD") is the LIHTC-allocating agency for The City of New York, including for those projects financed by HDC through the issuance of tax-exempt private-activity bonds.

Pursuant to Section 42(m)(2) of the Internal Revenue Code of 1986, as amended (the "Code"), it appears that the Project is eligible for $1,780,502 of LIHTC annually. This determination is made solely in reliance upon, and without independent investigation of the facts and assumptions underlying, the attached June 26, 2014, letter of HPD. To the extent that HPD makes a determination that the Project requires a greater amount of LIHTC than set forth above, HDC would similarly conclude, pursuant to Section 42(m)(2) of the Code, that the Project would require such amount of LIHTC. Such a conclusion would be made solely in reliance upon, and without independent investigation of the facts and assumptions underlying, such determination by HPD.

Please advise if you require further information.

Sincerely,

Melissa Barkan

Attachment

110 William Street, New York, NY 10038 tel: 212.227.7412 fax: 212.227.6886
mbarkan@nychdc.com www.nychdc.com

Department of
Housing Preservation
& Development
nyc.gov/hpd

Vicki Been
Commissioner
ERIC ENDERLIN
Deputy Commissioner
MIRIAM COLÓN
Assistant Commissioner

Office of Development
Housing Incentives
100 Gold Street
New York, N.Y. 10038

Oceanhill LLC
c/o Blue Sea Development Company LLC
164 Main Street
Huntington, NY 11743
ATTN: Joni Brooks

RE: Low Income Housing Tax Credit Application
Application Number: 2014-009
Prospect Plaza North

Dear Ms. Brooks:

HPD has reviewed your application for Low Income Housing Tax Credits in connection with the development of the above referenced project (the "Project"). We have determined that your application satisfies the threshold requirements of HPD's Qualified Allocation Plan for the City of New York. Further, based on the representations contained in your application (which have not necessarily been documented, and which have not been verified by HPD) and on our feasibility analysis, we have determined that the Project may be eligible for tax credits in an annual amount of **$ 1,780,502.** This determination is subject to the following conditions and requirements:

1. The issuance of tax-exempt bonds by the New York City Housing Development Corporation ("HDC"), the proceeds of which are to be used to finance the construction of the referenced project; and

2. Provision of evidence, satisfactory to HPD, that the mortgage securing the tax-exempt bond financing will remain on the project in an amount not less than 50% of the aggregate basis at least until the date required by the Internal Revenue Service in order for the project to meet the "50% test" for 4% credits for tax exempt bond financing ; and

3. Construction of the Project as described in your application and in compliance with the terms of a Regulatory Agreement between Oceanhill LLC and HDC containing the requirements of Section 42 of the Internal Revenue Code; and

4. Upon placing the Project in service, your submission to HPD of: (a) a Financial Update in which you certify all sources and uses of funds, the qualified basis of the Project and the placed-in-service date, and (b) documentation establishing the sources and amounts of all funds, and (c) such other documentation as HPD may require.

Printed on paper containing 30% post-consumer material.

Please be advised that the Project will be subject to an additional evaluation by HPD after it has been placed in service. The actual maximum amount of tax credits for which the project is eligible will be the lesser of: (1) the amount determined by the final qualified basis and the tax credit percentage rate for the month the project is placed in service, and (2) the minimum credit amount that HPD determines is required to make the project feasible.

Please note that, as an alternative to the credit rate in effect when the project is placed in service, you may elect to lock in the rate for the month when the bonds are issued. To do so, you must notify HPD by signing and returning the enclosed election form to HPD. Your written notification must be received by HPD no later than the 5th day of the month following the month in which the bonds are issued. *Please enclose proof that the bonds have been issued, including date issued, along with the notification.* If we do not receive such notification by the date specified, HPD will use the credit rate in effect at the placed-in-service date.

Sincerely,

Miriam Colón
Assistant Commissioner

Date: 6/25/2014

cc: Jonathan Springer, HDC

NYC

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NYC DEPARTMENT OF HOUSING PRESERVATION AND DEVELOPMENT
LOW INCOME HOUSING TAX CREDIT PROGRAM

ELECTION OF CREDIT PERCENTAGE
FOR TAX-EXEMPT BOND FINANCED PROJECTS
Section 42(b)(2)(A)(ii)(II)

Project Name: Prospect Plaza North

Project Address(es): 1765 Prospect Place;

Owner Name: Oceanhill LLC

Owner's Address: 164 Main Street, Huntington, NY 11743

Section 42(b)(2)(A)(ii)(II) of the Internal Revenue Code provides that the owner of a project financed by tax-exempt bonds may irrevocably elect to fix the maximum applicable credit percentage as the rate established by the Secretary of the Treasury for the month in which the tax-exempt obligations are issued.

The owner may make such election by executing and notarizing the election statement below on or before the fifth day after the close of the elected month, and by returning the signed original election statement to the housing credit agency, in this case the NYC Department of Housing Preservation and Development ("HPD"), by the fifth day after the close of such month.

ELECTION STATEMENT:
The owner hereby irrevocably elects, pursuant to Section 42(b)(2)(A)(ii)(II) of the Internal Revenue Code, to fix the applicable credit percentage as the percentage for the month of _____, 20__, which is the month in which the tax-exempt obligations were issued.

The owner acknowledges that this election is binding upon the owner and all successors in interest to the owner. The owner further acknowledges that the election of the applicable credit percentage is further subject to HPD's general authority under Section 42(h)(7)(D) to limit the applicable credit percentage applied to the buildings in the project.

The owner represents that ___% of the aggregate basis of the building and land on which the building is located is to be financed by tax-exempt bonds subject to the volume cap of Section 146 of the Internal Revenue Code.

NOTE: To be valid, this election form must be accompanied by evidence of the bond issuance date.

Election Agreed to on: _____

Signature: _____

Title: _____

_____
Notary Public

NYC

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DESIGNATION OF GROSS RENT FLOOR

The form on reverse side permits a project owner to designate the date on which the Gross Rent Floor (see "Background" below) is to take effect for their project. This election should be made for any project which received an allocation of credit after September 23, 1994.

Generally, for as of right projects, the initial credit eligibility date will be treated as the date the gross rent floor takes effect. However, if an owner prefers, the placed in service date may be elected instead. If the owner wishes to take the latter option they must inform HPD (the allocating agency) prior to the placed in service date by completing and returning the attached form.

BACKGROUND: Gross rents for tax credit units may not exceed 30% of the imputed income limit applicable to the unit. The income limits are based on the area median gross income (AMGI) figures published annually by HUD. If AMGI rises, allowable rents will also rise. In some areas of the country, AMGI levels have recently fallen below previous levels. The question has arisen whether gross rents for existing projects in those areas must also be reduced.

In 1994 IRS issued Revenue Procedure 94-57 to clarify that a Gross Rent Floor is to be established for each project so that the imputed income limit on which the rent is based will never be lower than that in effect when the project was first determined to be eligible for credits. In other words, an owner would never be required to reduce rents below those in effect at the beginning of the project (the Gross Rent Floor). While all projects will have a Gross Rent Floor, the owner has a choice as to which date the Gross Rent Floor takes effect.

Note that, if no election form is received by HPD, the credit eligibility date will be treated as the date Gross Rent Floor takes effect. To select the placed in service date the owner must return this election form to HPD prior to the placed in service date.

NYC

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OWNER'S DESIGNATION OF EFFECTIVE DATE FOR GROSS RENT FLOOR

Owner: Oceanhill LLC

Sponsor: Blue Sea Development Company LLC

Project Address(es):

_____

_____

HPD Program: _____

As owner of the tax credit project shown above, I hereby designate the following as the effective date for the gross rent floor in Section 42(g)(2)(A) of the Internal Revenue Code: (Check one)

_____ **Credit Eligibility Date** _____ **Placed in Service Date**

Signed: _____ **Date:** _____

Title: _____

NYC

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BUILDING PERMITS/CERTIFICATES OF OCCUPANCY ATTACHMENTS

NYC Buildings

Work Permit Department of Buildings

Permit Number: *320626943-01-NB*

Issued: *02/17/2015* Expires: *02/17/2016*

Address: *BROOKLYN 1796 PROSPECT PLACE*

Issued to: HERCULES ARGYRIOU
Business: MEGA CONTRACTING GP LLC
Contractor No: GC-603805

Description of Work:
NEW BUILDING - APPLICATION BEING FILED TO ERECT NEW 6 STORY RESIDENTIAL BUILDING.

Review is requested under Building Code: 2008

SITE FILL: USE UNDER 300 C

To see a Zoning Diagram (ZD1) or to challenge a zoning approval filed as part of a New Building application or Alteration application filed after 7/13/2009, please use "My Community" on the Buildings Department web site at www.nyc.gov/buildings.

Emergency Telephone Day or Night: 311

Borough Commissioner: Commissioner of Buildings:

Tampering with or knowingly making a false entry in or falsely altering this permit is a crime that is punishable by a fine, imprisonment or both.

01 02/17/2015

35A (5/10)

Memphis and Shelby County
Office of Construction Code Enforcement

I1

6465 MULLINS STATION MEMPHIS, TENNESSEE 38134

Certificate of Occupancy

Permit No.B1043448

THE PREMISE KNOWN AS
629 TATE AV MEMP

IS HEREBY APPROVED FOR USE AND OCCUPANCY AS
CLEABORN POINTE PHASE III

AND IS GOVERNED BY THE REGULATIONS SET FORTH AND KNOWN AS THE MEMPHIS AND SHELBY COUNTY ZONING ORDINANCE RESOLUTION AND MEMPHIS AND SHELBY COUNTY BUILDING CODES. ANY CERTIFICATE OF OCCUPANCY ISSUED BY THE MEMPHIS AND SHELBY COUNTY OFFICE OF CONSTRUCTION CODE ENFORCEMENT IS SUBJECT TO REVOCATION FOR FAILURE TO COMPLY WITH CODE REQUIREMENTS OR ZONING ORDINANCES

ZONING **RU-3** *FIRE DISTRICT* **N**

TYPE CONSTRUCTION **5**

SPECIAL STIPULATIONS AND CONDITIONS

TENANT /OCCUPANT: **CLEABORN POINTE PHASE III**

OWNER: **MEMPHIS TRIANGLE FAMILY LLC**

CONTRACTOR: **CAPSTONE BUILDING CORPORATION**

ARCHITECT: **JIMMIE E TUCKER**

THIS CERTIFICATE SHALL BE POSTED IN A CONSPICUOUS LOCATION.

MEMPHIS AND SHELBY COUNTY OFFICE
OF CONSTRUCTION CODE ENFORCEMENT
6465 MULLINS STATION ROAD
MEMPHIS, TN 38134

ALLEN MEDLOCK, BUILDING OFFICIAL

ISSUED BY _____ 11/21/2014

CLEABORN POINTE PHASE III
629 TATE AV
MEMPHIS TN 38126

Memphis and Shelby County
Office of Construction Code Enforcement

I2

6465 MULLINS STATION MEMPHIS, TENNESSEE 38134

Certificate of Occupancy

Permit No.**B1043447**

THE PREMISE KNOWN AS
637 TATE AV MEMP

IS HEREBY APPROVED FOR USE AND OCCUPANCY AS
CLEABORN POINTE PHASE III

AND IS GOVERNED BY THE REGULATIONS SET FORTH AND KNOWN AS THE MEMPHIS AND SHELBY COUNTY ZONING ORDINANCE RESOLUTION AND MEMPHIS AND SHELBY COUNTY BUILDING CODES. ANY CERTIFICATE OF OCCUPANCY ISSUED BY THE MEMPHIS AND SHELBY COUNTY OFFICE OF CONSTRUCTION CODE ENFORCEMENT IS SUBJECT TO REVOCATION FOR FAILURE TO COMPLY WITH CODE REQUIREMENTS OR ZONING ORDINANCES

ZONING **RU-3** *FIRE DISTRICT* **N**

TYPE CONSTRUCTION **5**

SPECIAL STIPULATIONS AND CONDITIONS

TENANT /OCCUPANT: **CLEABORN POINTE PHASE III**

OWNER: **MEMPHIS TRIANGLE FAMILY LLC**

CONTRACTOR: **CAPSTONE BUILDING CORPORATION**

ARCHITECT: **JIMMIE E TUCKER**

THIS CERTIFICATE SHALL BE POSTED IN A CONSPICUOUS LOCATION.

MEMPHIS AND SHELBY COUNTY OFFICE
OF CONSTRUCTION CODE ENFORCEMENT
6465 MULLINS STATION ROAD
MEMPHIS, TN 38134

ALLEN MEDLOCK, BUILDING OFFICIAL

ISSUED BY _____ 11/21/2014

CLEABORN POINTE PHASE III
637 TATE AV
MEMPHIS TN 38126

Memphis and Shelby County
Office of Construction Code Enforcement

I3

6465 MULLINS STATION MEMPHIS, TENNESSEE 38134

Certificate of Occupancy

Permit No.**B1043446**

THE PREMISE KNOWN AS
645 TATE AV MEMP 2 APTS

IS HEREBY APPROVED FOR USE AND OCCUPANCY AS
CLEABORN POINTE PHASE III

AND IS GOVERNED BY THE REGULATIONS SET FORTH AND KNOWN AS THE MEMPHIS AND SHELBY COUNTY ZONING ORDINANCE RESOLUTION AND MEMPHIS AND SHELBY COUNTY BUILDING CODES. ANY CERTIFICATE OF OCCUPANCY ISSUED BY THE MEMPHIS AND SHELBY COUNTY OFFICE OF CONSTRUCTION CODE ENFORCEMENT IS SUBJECT TO REVOCATION FOR FAILURE TO COMPLY WITH CODE REQUIREMENTS OR ZONING ORDINANCES

ZONING **RU-3** *FIRE DISTRICT* **N**

TYPE CONSTRUCTION **5**

SPECIAL STIPULATIONS AND CONDITIONS

TENANT /OCCUPANT: **CLEABORN POINTE PHASE III**

OWNER: **MEMPHIS TRIANGLE FAMILY LLC**

CONTRACTOR: **CAPSTONE BUILDING CORPORATION**

ARCHITECT: **JIMMIE E. TUCKER**

THIS CERTIFICATE SHALL BE POSTED IN A CONSPICUOUS LOCATION.

MEMPHIS AND SHELBY COUNTY OFFICE
OF CONSTRUCTION CODE ENFORCEMENT
6465 MULLINS STATION ROAD
MEMPHIS, TN 38134

ALLEN MEDLOCK, BUILDING OFFICIAL

ISSUED BY _____ 11/21/2014

CLEABORN POINTE PHASE III
645 TATE AV APTS 101 & 201
MEMPHIS TN 38126

Memphis and Shelby County
Office of Construction Code Enforcement

I4

6465 MULLINS STATION MEMPHIS, TENNESSEE 38134

Certificate of Occupancy

Permit No.**B1043445**

THE PREMISE KNOWN AS
649 TATE AV MEMP

IS HEREBY APPROVED FOR USE AND OCCUPANCY AS
CLEABORN POINTE PHASE III

AND IS GOVERNED BY THE REGULATIONS SET FORTH AND KNOWN AS THE MEMPHIS AND SHELBY COUNTY ZONING ORDINANCE RESOLUTION AND MEMPHIS AND SHELBY COUNTY BUILDING CODES. ANY CERTIFICATE OF OCCUPANCY ISSUED BY THE MEMPHIS AND SHELBY COUNTY OFFICE OF CONSTRUCTION CODE ENFORCEMENT IS SUBJECT TO REVOCATION FOR FAILURE TO COMPLY WITH CODE REQUIREMENTS OR ZONING ORDINANCES

ZONING **RU-3** *FIRE DISTRICT* N

TYPE CONSTRUCTION **5**

SPECIAL STIPULATIONS AND CONDITIONS

TENANT/OCCUPANT: **CLEABORN POINTE PHASE III**

OWNER: **MEMPHIS TRIANGLE FAMILY LLC**

CONTRACTOR: **CAPSTONE BUILDING CORPORATION**

ARCHITECT: **JIMMIE E TUCKER**

THIS CERTIFICATE SHALL BE POSTED IN A CONSPICUOUS LOCATION.

MEMPHIS AND SHELBY COUNTY OFFICE
OF CONSTRUCTION CODE ENFORCEMENT
6465 MULLINS STATION ROAD
MEMPHIS, TN 38134

ALLEN MEDLOCK, BUILDING OFFICIAL

ISSUED BY _____ 11/21/2014

CLEABORN POINTE PHASE III
649 TATE AV
MEMPHIS TN 38126

MEMPHIS & SHELBY COUNTY
OFFICE OF CONSTRUCTION CODE ENFORCEMENT
6465 Mullins Station Road, Memphis, TN 38134

Permit Number #B - 1043452

CAPACITY _____

CHECK LIST

MAP PAGE 35-F

UNOCCUPIED [ ] OCCUPIED [ ] C of O [X] NAME OF BUSINESS CLEABORN POINTE AT HERITAGE LANDING

ADDRESS 602 RATLIFF LN. SUITE/BLDG # —

OCCUPANCY R-2 CONSTRUCTION TYPE V-B SPRINKLERED: YES ____ NO X

THE BUILDING INSPECTOR IS THE LAST TO SIGN OFF. SIGNATURES ARE REQUIRED FROM THE DEPARTMENTS CHECKED BELOW PRIOR TO REQUESTING BUILDING INSPECTION APPROVAL. IT IS UNLAWFUL TO OCCUPY THIS BUILDING PRIOR TO THE APPROVAL OF THE DEPARTMENTS AND SECTIONS LISTED BELOW. AFTER THE FINAL APPROVAL OF THE BUILDING INSPECTOR, A PERMANENT CERTIFICATE OF OCCUPANCY CAN BE ISSUED.

[ ] FIRE DEPARTMENT APPROVAL
MEMPHIS 320-5401 COUNTY 222-8010 GERMANTOWN 751-7600 ARLINGTON 867-8905
NOTIFY 48 HOURS PRIOR TO INSPECTION

REMARKS _____
FIRE INSPECTOR _____ DATE _____

[ ] HEALTH DEPARTMENT APPROVAL 222-9200

NIA

REMARKS _____
HEALTH INSPECTOR _____ DATE _____

[✓] ELECTRICAL INSPECTION APPROVAL 222-8400 ELECTRICAL PERMIT # E _____
CHECK FOR LOW VOLTAGE

REMARKS _____
ELECTRICAL INSPECTOR _____ DATE _____

[✓] SIGN INSPECTION APPROVAL 222-8400 SIGN PERMIT # S _____

REMARKS _____
SIGN INSPECTOR _____ DATE _____

[✓] MECHANICAL INSPECTION APPROVAL 222-8400 MECHANICAL PERMIT # M _____

REMARKS _____
MECHANICAL INSPECTOR _____ DATE _____

[✓] PLUMBING INSPECTION APPROVAL 222-8400 PLUMBING PERMIT # P _____

REMARKS _____
PLUMBING INSPECTOR _____ DATE _____

[ ] ELEVATOR INSPECTION APPROVAL 222-8400 ELEVATOR PERMIT # ELV _____

NIA

REMARKS _____
ELEVATOR INSPECTOR _____ DATE _____

[ ] ENGINEERING APPROVAL
CITY 576-6704 COUNTY 222-7704 ARLINGTON 867-3449
NOTIFY 48 HOURS PRIOR TO INSPECTION

NIA

REMARKS _____
ENGINEERING INSPECTOR _____ DATE _____

[ ] LANDSCAPE INSPECTION APPROVAL 222-8400
CERTIFICATE OF LANDSCAPE CONFORMANCE REQUIRED PRIOR TO FINAL INSPECTION

NIA

REMARKS _____
LANDSCAPE INSPECTOR _____ DATE _____

[✓] BUILDING INSPECTION APPROVAL 222-8400 BUILDING PERMIT # B _____
CHECK PD REQUIREMENTS PRIOR TO FINAL INSPECTION

REMARKS _____
BUILDING INSPECTOR _____ DATE _____

MEMPHIS & SHELBY COUNTY
OFFICE OF CONSTRUCTION CODE ENFORCEMENT
6465 Mullins Station Road, Memphis, TN 38134

Permit Number # B– 1043460

CAPACITY _____

CHECK LIST

MAP PAGE 35-F

UNOCCUPIED [ ] OCCUPIED [ ] C of O [X] NAME OF BUSINESS CLEABORN POINTE AT HERITAGE LANDING

ADDRESS 387 CYNTHIA PLACE SUITE/BLDG # —

OCCUPANCY R-2 CONSTRUCTION TYPE V-B SPRINKLERED: YES X NO ____

THE BUILDING INSPECTOR IS THE LAST TO SIGN OFF. SIGNATURES ARE REQUIRED FROM THE DEPARTMENTS CHECKED BELOW PRIOR TO REQUESTING BUILDING INSPECTION APPROVAL. IT IS UNLAWFUL TO OCCUPY THIS BUILDING PRIOR TO THE APPROVAL OF THE DEPARTMENTS AND SECTIONS LISTED BELOW. AFTER THE FINAL APPROVAL OF THE BUILDING INSPECTOR, A PERMANENT CERTIFICATE OF OCCUPANCY CAN BE ISSUED.

[✓] FIRE DEPARTMENT APPROVAL
MEMPHIS 320-5401 COUNTY 222-8010 GERMANTOWN 751-7600 NOTIFY 48 HOURS PRIOR TO INSPECTION ARLINGTON 867-8905

REMARKS _____
FIRE INSPECTOR _____ DATE _____

[ ] HEALTH DEPARTMENT APPROVAL 222-9200

NIA

REMARKS _____
HEALTH INSPECTOR _____ DATE _____

[✓] ELECTRICAL INSPECTION APPROVAL 222-8400 ELECTRICAL PERMIT # E _____
CHECK FOR LOW VOLTAGE

REMARKS _____
ELECTRICAL INSPECTOR _____ DATE _____

[✓] SIGN INSPECTION APPROVAL 222-8400 SIGN PERMIT # S _____

REMARKS _____
SIGN INSPECTOR _____ DATE _____

[✓] MECHANICAL INSPECTION APPROVAL 222-8400 MECHANICAL PERMIT # M _____

REMARKS _____
MECHANICAL INSPECTOR _____ DATE _____

[✓] PLUMBING INSPECTION APPROVAL 222-8400 PLUMBING PERMIT # P _____

REMARKS _____
PLUMBING INSPECTOR _____ DATE _____

[ ] ELEVATOR INSPECTION APPROVAL 222-8400 ELEVATOR PERMIT # ELV _____

NIA

REMARKS _____
ELEVATOR INSPECTOR _____ DATE _____

[ ] ENGINEERING APPROVAL
CITY 576-6704 COUNTY 222-7704 NOTIFY 48 HOURS PRIOR TO INSPECTION ARLINGTON 867-3449

NIA

REMARKS _____
ENGINEERING INSPECTOR _____ DATE _____

[ ] LANDSCAPE INSPECTION APPROVAL 222-8400 CERTIFICATE OF LANDSCAPE CONFORMANCE REQUIRED PRIOR TO FINAL INSPECTION

NIA

REMARKS _____
LANDSCAPE INSPECTOR _____ DATE _____

[✓] BUILDING INSPECTION APPROVAL 222-8400 BUILDING PERMIT # B _____
CHECK PD REQUIREMENTS PRIOR TO FINAL INSPECTION

REMARKS _____
BUILDING INSPECTOR _____ DATE _____

Department Of Housing And Community Development
Division Of Construction And Building Inspection

No: USE2014-03767

Certificate of Occupancy

THIS CERTIFICATE STATEMENT, WHEN PROPERLY VALIDATED, CONSTITUTES AUTHORITY FOR DOING OR RECEIVING THE THINGS INDICATED BY THE FEES OR CHARGES SHOWN IN THE APPROPRIATE SPACES BELOW. ANY ACTIVITIES TO BE DONE OR RECEIVED UNDER THIS WRITTEN INSTRUMENT SHALL BE DONE OR RECEIVED IN STRICT COMPLIANCE WITH THE APPLICATION HEREFORE FILED IN THIS DEPARTMENT FOR THE AUTHORITY CONTAINED HEREIN, INCLUDING ANY AND ALL APPROVED DRAWINGS AND OTHER DATA OR INFORMATION ATTACHED THERETO, AND SUBJECT TO ANY AND ALL LAWS, ORDINANCES, RULES AND REGULATIONS IN EFFECT IN THE CITY OF BALTIMORE AND THE STATE OF MARYLAND. WARNING: IT IS UNLAWFUL TO WORK BETWEEN THE HOURS OF 7:00 PM AND 7:00 AM WITHIN 100 FEET OF A DWELLING.

WARNING: IT IS UNLAWFUL TO CONCEAL ANY WORK UNTIL INSPECTED AND APPROVED BY THIS DEPARTMENT.

WARD	SEC.	BLOCK	LOT	ISSUE DATE	DISTRICT
26	31	6135B	107	9/26/14	

PROPERTY ADDRESS: 4202 MAPLE SHADE DR; 4415-4419 GRAPE VINE WAY

K/A ADDRESS: 4401-4419 GRAPE VINE WAY

OWNER: ORCHARD RIDGE RENTAL IV, LLC. ADDR: 575 S. CHARLES ST. SUITE 140 B

LESSEE: ADDR:

LAND USE CODES 1123 0000 0000 0000

USE AS A MULTI-FAMILY DWELLING (4) FOUR DU'S TWO DWELLING UNITS ON 1ST FL-TWO DWELLING UNITS ON 2ND FL

PER INSP.	MISC	CH USE 45.00	NEW BLDG	ADDITIONS
ALTERATIONS	REPAIRS	MISC CONST	ELECT	HYDRONIC/STEAM HEAT
DISTRIB EXIT	AIR COND	PNE TANKS	FIRE	FUEL-BURNING EQUIPMENT
ELEVATOR	PLUMBING 0.00	S & E CONTROL	F HAP	TAX 3.00
RAZING	FILING FEE 25.00	LOW VOLTAGE/TELECOMMUNICATIONS	PENALTY	TOTAL FEES 73.00

THE AUTHORITY CONTAINED HEREIN MAY NOT BE VALIDLY EXERCISED UNTIL AND AFTER ALL OF THE FEES APPEARING HEREON HAVE BEEN PAID AND EVIDENCE THEREOF APPEARS IN THIS SPACE.

MICHAEL BRAVERMAN
BUILDING OFFICIAL

Please be advised that there is a presumption of lead-based paint in properties constructed prior to 1950. Protect workers and tenants by using the lead-safe work practices found in the Code of Maryland Regulations Section 26.02.07.

THE AUTHORITY CONTAINED HEREIN DOES NOT AUTHORIZE THE PERFORMANCE OF ANY WORK IN, ON, UNDER OR OVER ANY STREET, HIGHWAY, ALLEY, SIDEWALK OR ANY OTHER PUBLIC WAY UNLESS PERMISSION TO DO SO HAS BEEN FIRST SECURED FROM THE PROPER AUTHORITY.

Department Of Housing And Community Development
Division Of Construction And Building Inspection

No: USE2014-03769

Certificate of Occupancy

WITNESS, SEAL IF WHEN PROPERLY VALIDATED, CONFERS AUTHORITY FOR DOING OR RECEIVING THE THINGS INDICATED BY THE FEES OR CHARGES SHOWN IN THE APPROPRIATE SPACES BELOW. ALL FEES, CHARGES TO BE DONE OR RECEIVED UNDER THIS WRITTEN INSTRUMENT SHALL BE DONE OR RECEIVED IN STRICT COMPLIANCE WITH THE APPLICATION HEREFORE FILED IN THIS DEPARTMENT FOR THE ORDER CONTAINED HEREIN, INCLUDING ANY AND ALL APPROVED DRAWINGS AND OTHER DATA OR INFORMATION ATTACHED THERETO, AND SUBJECT TO ANY AND ALL LAWS, ORDINANCES, RULES AND REGULATIONS NOW IN EFFECT IN THE CITY OF BALTIMORE AND THE STATE OF MARYLAND. WARNING: IT IS UNLAWFUL TO WORK BETWEEN THE HOURS OF 7:00 PM AND 7:00 AM WITHIN 100 FEET OF A DWELLING

WARNING: IT IS UNLAWFUL TO CONCEAL ANY WORK UNTIL INSPECTED AND APPROVED BY THIS DEPARTMENT.

WARD	SEC.	BLOCK	LOT	ISSUE DATE	DISTRICT
26	31	6135B	107	9/26/14	

PROPERTY ADDRESS: 4203 SAINT CLAIR CT; 4401-4413 GRAPE VINE WAY

K/A ADDRESS: 4401-4419 GRAPE VINE WAY

OWNER: ORCHARD RIDGE RENTAL IV, LLC. ADDR: 575 S. CHARLES ST. SUITE 140 B

LESSEE: ADDR:

LAND USE CODES 1123 0000 0000 0000

USE AS A MULTI-FAMILY DWELLING (8)DWELLING UNITS PER BMZA2013-157 APP APRIL 4TH 2013 (6) DU'S 1ST FL-AND (2) DU'S 2ND FL

PER INSP	MISC	CH. USE 45.00	NEW BLDG	0 ADDITIONS
ALTERATIONS	REPAIRS	MISC CONST	ELECT	HYDRONIC STEAM HEAT
DISTRIB/EXH	AIR COND.	DISP. TANKS	HRS	FUEL-BURNING EQUIPMENT
ELEVATOR	PLUMBING 0.00	S & E CONTROL	CHAP	FAX 3.00
RAZING	FILING FEE 50.00	LOW VOLTAGE/TELECOMMUNICATIONS	PENALTY	TOTAL FEES 98.00

THE AUTHORITY CONTAINED HEREIN MAY NOT BE VALIDLY EXERCISED UNTIL AND AFTER ALL OF THE FEES APPEARING HEREON HAVE BEEN PAID AND EVIDENCE THEREOF APPEARS IN THIS SPACE.

MICHAEL BRAVERMAN
BUILDING OFFICIAL

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THE AUTHORITY CONTAINED HEREIN DOES NOT AUTHORIZE THE PERFORMANCE OF ANY WORK IN, ON, UNDER OR OVER ANY STREET, HIGHWAY, ALLEY, SIDEWALK OR ANY OTHER PUBLIC WAY, UNLESS PERMISSION TO DO SO HAS BEEN FIRST SECURED FROM THE PROPER AUTHORITY.

Department Of Housing And Community Development
Bureau Of Construction And Building Inspection

No: USE2014-03770

Certificate of Occupancy

THIS INSTRUMENT, WHEN PROPERLY VALIDATED, CONSTITUTES AUTHORITY FOR DOING OR RECEIVING THE THINGS INDICATED BY THE FEES OR CHARGES SHOWN IN THE APPROPRIATE SPACES BELOW. ANY ALL THINGS TO BE DONE OR RECEIVED UNDER THIS WRITTEN INSTRUMENT SHALL BE DONE OR RECEIVED IN STRICT CONFORMANCE WITH THE APPLICATION HERETOFORE FILED IN THIS DEPARTMENT FOR THE AUTHORITY CONTAINED HEREIN, INCLUDING ANY AND ALL APPROVED DRAWINGS AND OTHER DATA OR INFORMATION ATTACHED THERETO, AND SUBJECT TO ANY AND ALL LAWS, ORDINANCES, RULES AND REGULATIONS IN EFFECT IN THE CITY OF BALTIMORE AND THE STATE OF MARYLAND. WARNING: IT IS UNLAWFUL TO WORK BETWEEN THE HOURS OF 7:00 PM AND 7:00 AM WITHIN 300 FEET OF A DWELLING.

WARNING: IT IS UNLAWFUL TO CONCEAL ANY WORK UNTIL INSPECTED AND APPROVED BY THIS DEPARTMENT.

WARD	SEC.	BLOCK	LOT	ISSUE DATE	DISTRICT
26	31	6135B	110	9/26/14	

PROPERTY ADDRESS: 4400-4418 GRAPE VINE WAY

E/A ADDRESS: 4414-4418 GRAPE VINE WAY; 4300 MAPLE SHADE DR

OWNER: ADDR:

LESSEE: ADDR:

LAND USE CODES 1123 0000 0000 0000

USE AS A MULTI-FAMILY DWELLING (4) FOUR DU'S TWO DWELLING UNITS ON 1ST FL-TWO DWELLING UNITS ON 2ND FL

PER INSP	MISC	CH USE 45.00	NEW BLDG	0 ADDITIONS
ALTERATIONS	REPAIRS	MISC CONST.	ELECT	HYDRONIC-STEAM HEAT
DISTRIB-EXH	AIR COND	[illegible]	FIRE	FUEL-BURNING EQUIPMENT
ELEVATOR	PLUMBING 0.00	S & E CONTROL	CHAP	TAX 3.00
RAZING	PROCESSING FEE 50.00	DWELLING-LEGALIZATIONS	PENALTY	TOTAL FEES 98.00

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MICHAEL BRAVERMAN
BUILDING OFFICIAL

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Department Of Housing And Community Development
Division Of Construction And Building Inspection

No: USE2014-03774

Certificate of Occupancy

WRITTEN RESPONSE, WHEN PROPERLY VALIDATED, CONSTITUTES AUTHORITY FOR DOING OR RECEIVING THE THINGS INDICATED BY THE FEES OR CHARGES SHOWN IN THE APPROPRIATE SPACES BELOW. ANY ALL THINGS TO BE DONE OR RECEIVED UNDER THIS WRITTEN DISTRIBUTION SHALL BE DONE OR RECEIVED IN STRICT COMPLIANCE WITH THE APPLICATION HERETOFORE FILED IN THIS DEPARTMENT FOR THE PROPERTY CONTAINED HEREIN, INCLUDING ANY AND ALL APPROVED DRAWINGS AND OTHER DATA OR INFORMATION ATTACHED THERETO, AND SUBJECT TO ANY AND ALL LAWS, ORDINANCES, RULES AND REGULATIONS IN EFFECT IN THE CITY OF BALTIMORE AND THE STATE OF MARYLAND. WARNING: IT IS UNLAWFUL TO WORK BETWEEN THE HOURS OF 7:00 PM AND 7:00 AM WITHIN 100 FEET OF A DWELLING

WARNING: IT IS UNLAWFUL TO CONCEAL ANY WORK UNTIL INSPECTED AND APPROVED BY THIS DEPARTMENT.

WARD	SEC.	BLOCK	LOT	ISSUE DATE	DISTRICT
26	31	6135B	110	9/26/14	

PROPERTY ADDRESS: 4406-4412 GRAPE VINE WAY

K/A ADDRESS: 4400-4418 GRAPE VINE WAY

OWNER: ORCHARD RIDGE RENTAL IV, LLC. ADDR: 575 S. CHARLES ST. SUITE 140 I

LESSEE: ADDR:

LAND USE CODES 1123 0000 0000 0000

USE AS A MULTI-FAMILY DWELLING (4) FOUR DU'S TWO DWELLING UNITS ON 1ST FL-TWO DWELLING UNITS ON 2ND FL

PER INSP	MISC	CH USE 45.00	NEW BLDG.	0 ADDITIONS
ALTERATIONS	REPAIRS	MISC CONST	ELECT	HYDRONIC/STEAM HEAT
DISTRIB/EXH	AIR COND.	OIL TANKS	HOE	FUEL-BURNING EQUIPMENT
ELEVATOR	PLUMBING 0.00	S & E CONTROL	CHAP	TAX 3.00
RAZING	FILING FEE 50.00	LOW VOLTAGE/TELECOMMUNICATIONS	PENALTY	TOTAL FEES 98.00

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MICHAEL BRAVERMAN
BUILDING OFFICIAL

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PENNROSE
We Bring It All Together

June 17, 2015

Mr. Michael Liu, Director
Miami Dade County
Public Housing and Community Development Department
701 NW 1st Court
Miami, FL 33136

Re: Pennrose Development, LLC and Affiliates (Includes Pennrose Properties, LLC)

Dear Mr. Liu:

Please be advised that the current financial position of the above-referenced entities is materially the same as that reflected in the audited financial statements submitted herewith.

Sincerely,

Richard A. Gower, CFO

TAB 21: CONSTRUCTION AND/OR PERMANENT FINANCING LETTERS OF INTENT

Please find financing letters of intent for Fairgrounds IV:

- Housing Authority of the County of Delaware Commitment of $2,899,987
- HOME Award Letter from the Delaware County Office of Housing and Community Development of $1,000,000
- Supplemental Certification by the Delaware County OHCD to the PHFA award letter requirements

Please note both funding commitments have been made and are not "pending".

Please note the application does not contain a construction loan.

Please note the development does not include any "hard loans" and thus does not incur any construction loan interest

Please note applicant is not proposing to reinvest any of the Developer's Fee

Please note applicant is not providing permanent financing to the development

Please note applicant is not indicating a type of financing that might come under an "At Risk Rules" provision.

Please note applicant will not substitute or adjust any funding sources unless approved by the PHFA

Please note applicant is not including any deferred loans having an interest rate at or above the Applicable Federal Rate and thus does not have to certify that the lender and Tax Credit syndicator has reviewed the ability to repay the loan plus accrued interest at maturity.

Please note applicant is not applying for HOPE VI financing for this development

DELAWARE COUNTY HOUSING AUTHORITY

1855 Constitution Avenue
P.O. Box 100
Woodlyn, Pennsylvania 19094-0100
610-876-2521 Fax: 610-490-6246
TDD#: 610-876-3341

Board of Commissioners:
Paul G. Mattus, CHM
Francis J. Bernhardt, Jr.
James J. Marks
Michael Culp, Esq.

Executive Director and Secretary
Lawrence E. Hartley, P.H.M.

Solicitor
Stephen J. Polaha, Esq.

February 28, 2011

Fairgrounds Housing Partnership, IV L.P.
Attention: Mark H. Dambly
1301 N. 31st Street
Philadelphia, Pennsylvania 19121

RE: Delaware County Fairgrounds IV

Dear Mr. Dambly:

The Housing Authority of the County of Delaware (the "Authority) offers by this letter (the "Commitment") to make a loan in an amount up to $2,899,987 to the Fairgrounds Housing Partnership IV, L.P. (the "Borrower"). The funds shall be used for the construction of the 71 tax credit units on land the Borrower is leasing from the Authority pursuant to a long-term ground lease. The commitment will be structured as a deferred loan at 0% for a 40-year term. The Authority has reviewed the application and the operating budgets and the committed funds in this award letter have been set-a-side for the development. Should the development receive additional tax credit equity or additional funds from the County or other institution, this commitment will be reduced proportionately with the increase in funds.

The obligation of the Authority to make the Loan to the Borrower shall be conditioned upon receipt of an award of low income housing tax credits and equity funding sufficient to complete the Project as designed, the execution of loan documents satisfactory to the Authority, and execution of other project documents satisfactory to the Authority, all such documents and arrangements to be subject to the approval of the Authority's Board of Commissioners and the Department of Housing and Urban Development. This Agreement will terminate if the Borrower does not satisfy such conditions, or if the Loan is not closed by January 2012.

We are pleased to extend this Commitment and look forward to working with you.

Sincerely,

Lawrence E. Hartley, P.H.M.
Executive Director

LEH/jes

Accepted by:

Fairgrounds Housing Partnership IV, L.P.
By: Pennrose GP, LLC, its General Partner

By: _____
Mark H. Dambly, President

COUNTY OF DELAWARE
OFFICE OF HOUSING AND COMMUNITY DEVELOPMENT

600 North Jackson Street
Suite 101
Media, PA 19063-2561
(610) 891-5425
Fax (610) 566-0532

COUNCIL

JOHN J. WHELAN
CHAIRMAN

CHRISTINE FIZZANO CANNON
VICE CHAIRMAN

THOMAS J. McGARRIGLE
ANDY LEWIS
MARIO J. CIVERA, JR.

JOHN E. PICKETT, AICP
DIRECTOR

January 11, 2011

Mark H. Dambly, President
Pennrose Properties, LLC
One Brewery Park
1301 N. 31st Street
Philadelphia, PA 19121

Re: Fairgrounds – Phase IV

Dear Mr. Dambly:

Delaware County will provide funding to the Fairgrounds Housing Partnership, L.P., or the designated ownership entity, for the development costs associated with the Fairgrounds - Phase IV housing project as specified below:

Amount: Up to $1,000,000

Source: HOME Investment Partnership Program funds

Rate: 0%, Deferred

30 Years

Repayment: The mortgagee will remit to the County on an annual basis 50% of the excess cash flow remaining after payment of the first mortgage and PennHOMES debt service. The County will deduct the amount paid from the principal balance. Incentive management fees are allowed.

A closing fee of $10,000 is due to Delaware County at settlement.

The commitment is subject to the following conditions: (1) approval by Chester Township of the pending land development and subdivision plans for the site; (2) approval by PHFA of the pending LIHTC application; (3) compliance with all applicable federal, state, and local regulations; and (4) final review and approval of the project by OHCD.

The County looks forward to working with you on this much-needed project.

Very truly yours,

John E. Pickett, AICP
Director

JEP/lfh/pag

COUNTY OF DELAWARE
OFFICE OF HOUSING AND COMMUNITY DEVELOPMENT

600 North Jackson Street
Suite 101
Media, PA 19063-2561
(610) 891-5425
Fax (610) 566-0532

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VICE CHAIRMAN

THOMAS J. McGARRIGLE
ANDY LEWIS
MARIO J. CIVERA, JR.

JOHN E. PICKETT, AICP
DIRECTOR

February 25, 2011

Mark H Dambly, President
Pennrose Properties, LLC
One Brewery Park
1301 N. 31st Street
Philadelphia, PA 19121

RE: Fairgrounds – Phase IV

Dear Mr. Dambly:

I am writing as a follow up to my funding commitment letter dated January 11, 2011 to Fairgrounds Housing Partnership, L.P. or the designated ownership entity for the development costs associated with the Fairgrounds – Phase IV housing project in the amount up to $1,000,000. Of Course, Delaware County has demonstrated its ongoing support of the Fairgrounds Development through the provision of $3.6 million HOME Investment Partnership Program funds to Phase I and II of this project

Please accept this supplemental letter to the original letter stating that the County has reviewed the application and operating budget and will specifically identify this project for funding in the County's 2011 Annual Action Plan for entitlement funding to HUD.
Therefore, this funding commitment should not be viewed at "pending" by PHFA.

The County looks forward to working with you on this much-needed project.

Very truly yours,

John E. Pickett, AICP
Director

Wells Fargo Multifamily Capital

MAC T2673-100
2010 Corporate Ridge
Suite 1000
McLean, VA 22102
703 760-4700

July 9, 2007

Mr. Patrick Wagner
Orchard Ridge Rental I, LLC
230 Wyoming Avenue
Kingston, Pennsylvania 18704

Re: Orchard Ridge Rental Phase I
FHA Project No. 052-35652
Baltimore, Maryland

Dear Mr. Wagner:

This letter shall constitute the commitment (the "Commitment") of WELLS FARGO BANK, N.A. (the "Lender") to ORCHARD RIDGE RENTAL I, a Maryland limited liability company (the "Borrower") to fund a mortgage loan (the "Insured Loan") for the above-referenced project (the "Project") which is to be insured by the U.S. Department of Housing and Urban Development acting by and through the Federal Housing Commissioner ("FHA") under Section 221(d)(4) of the National Housing Act as amended, (the "Act"), all in accordance with that certain Commitment to Insure Upon Completion dated July ___, 2007, as amended, issued to AGM FINANCIAL SERVICES, INC. (the "Assigning Mortgagee") (the "FHA Commitment"), subject to the terms and conditions set forth below:

1. Defined Terms. As used herein, the following terms shall have the following meanings:

Insured Loan Amount:	$3,500,000.00, subject to adjustment and confirmation pursuant to Paragraph 5 hereof.
Insured Loan Interest Rate:	To be determined pursuant to Paragraph 12 hereof.
Good Faith Deposit Amount:	$105,000.00, as provided in Paragraph 36 hereof.
Insured Loan Term:	480 month amortization (or such lesser period as approved by FHA).

2. Assignment of FHA Commitment. All right, title and interest in and to the FHA Commitment must be duly, properly and validly assigned to the Lender, on terms acceptable to the Lender, from the Assigning Mortgagee. The Lender's obligations hereunder are contingent upon such assignment.

3. FHA Mortgage Insurance. The Insured Note (defined below) shall be endorsed by FHA for mortgage insurance ("FHA Endorsement") under Section 207 pursuant to Section 221(d)(4) of the Act, and shall in all respects be in compliance with and subject to applicable terms and provisions of (a) the Act, (b) the FHA Commitment, (c) the rules, regulations, administrative procedures and instructions, and all other requirements of FHA (collectively, the "FHA Requirements"), and (d) the terms of this Commitment. The Borrower shall satisfy or cause to be satisfied all applicable terms and provisions of the Act, the FHA Commitment, this Commitment and the FHA Requirements.

4. Borrower. The Borrower at the time of FHA Endorsement shall be a duly constituted Maryland limited liability company in good standing.

5. Insured Loan Amount. The principal amount of the Insured Loan is anticipated to be $3,500,000.00, but in no event shall exceed the principal amount stated in the FHA Commitment (as it may be amended) and approved by FHA at FHA Endorsement. The principal amount of the Insured Loan shall be confirmed upon Borrower's acceptance of a Quote (defined below) subject to adjustment as set forth therein.

6. Mortgage Note. The Borrower shall execute a negotiable, non-recourse promissory note (the "Insured Note" or the "Note"), payable to the order of Lender, in an amount equal to the Insured Loan Amount. The Insured Note shall be endorsed for mortgage insurance by FHA prior to the disbursement of the proceeds of the Insured Loan (FHA Endorsement and said disbursement are referred to collectively as the "Closing").

7. Funding; Investor Purchase Commitment. The Insured Loan shall consist of a single first mortgage loan that is expected to be funded by the Lender's issuance and sale to an investor (the "Investor") of fully modified mortgage backed securities (the "GNMA Security") as described in Paragraph 8 hereof. This Commitment, and the Lender's obligations hereunder, are specifically conditioned upon the Lender's entering into, prior to FHA Endorsement, an agreement with the Investor for the purchase of the GNMA Security in form, content and terms acceptable to the Lender in its sole discretion (the "Purchase Agreement"). Lender reserves the right to enter into a Purchase Agreement based upon terms and conditions other than those set

forth in the Quote. Provided, however, that such variance shall not affect the rights and/or obligations of the parties hereto pursuant to the Quote. Lender may, in its sole discretion, procure funding for the Insured Loan through a source other than the sale of GNMA Securities.

8. Issuance of the GNMA Securities.

(a) The GNMA Securities shall consist of one or more fully modified mortgage-backed pass-through Certificates, fully guaranteed as to principal and interest by the Government National Mortgage Association ("GNMA").

(b) The Borrower agrees to comply with any requirements of GNMA in connection with the issuance of the GNMA Securities.

9. Security. The Insured Loan shall be secured by a valid first mortgage or deed of trust ("Mortgage") on the Project and all improvements located or to be located thereon, and the fixtures attached or to be attached thereto, subject only to exceptions acceptable to the Lender and FHA.

10. Additional Security. The Lender shall perfect a first priority security interest in all of the Borrower's personal property, as required by the Lender and/or FHA, including but not limited to furniture, equipment, fixtures, accounts, rents and receivables as more fully described in the Security Agreement to be executed by the Borrower. The Borrower shall not owe any debts other than the Insured Loan, except for debts specifically approved by the Lender and FHA.

In the event of default under the Mortgage or Note or any other closing document or this Commitment, or in the event of an adverse change in the rating of the bank issuing any letter of credit or certificate of deposit, or in the event the Lender reasonably deems itself insecure with respect to any risk for which it is holding a letter of credit or certificate of deposit as security, any or all letters of credit or certificates of deposit held by the Lender in connection with the Insured Loan may be converted, without notice, by the Lender into cash. Upon making of a claim by the Lender under the FHA contract of mortgage insurance, all such cash and any other escrow funds held by Lender with respect to the Insured Loan shall be retained by Lender and applied as Lender deems appropriate, subject to the rules and regulations of FHA.

11. Interest Rate. The Insured Loan Interest Rate shall be set pursuant to a Quote (defined below) issued accepted and confirmed pursuant to Paragraph 12 below.

Interest shall be computed on the daily outstanding principal balance of the Insured Loan and shall be paid monthly in arrears on the first day of each month following FHA Endorsement, as more particularly described in the Note.

12. Confirmation of Terms. At such times as shall be reasonably requested by Borrower, Lender shall provide to Borrower an interest rate, terms and price quote in the form attached hereto as Exhibit A (the "Quote"). Borrower may accept the Quote by executing it and returning it to Lender by fax not later than fifteen (15) minutes after Lender's transmittal of the Quote to Borrower. The Quote shall not be binding upon the Lender until the Lender shall receive the Borrower's acceptance of the Quote and final confirmation from the Investor of terms and conditions acceptable to the Lender. The interest rate, terms and price contained in the Quote shall be determined solely by Lender and shall in no event constitute a representation or warranty by the Lender as to interest rates, terms and prices available in the financial markets.

13. Extension Fees. In the event that FHA Endorsement shall not occur by the Required FHA Endorsement Date set forth in the Quote, or the GNMA Security is not delivered to the Investor by the GNMA Security Delivery Date set forth in the Quote, such date shall be extended from month to month and the Borrower shall pay to the Lender an Extension Fee in the amount set forth in the Quote for each month of such extension or portion thereof. All of such extension fees shall be paid to the Lender on the day prior to the first day of the applicable monthly extension. Prior to entering into a Quote the Borrower shall provide to the Lender a guarantee of such extension fees in form and substance acceptable to the Lender provided by a guarantor acceptable to the Lender, and shall provide to the Lender such other documentation as may be required in this regard.

14. Term. The Insured Loan shall be repaid in installments of interest, or of principal and interest, and shall mature at the expiration of the Insured Loan Term, in accordance with the terms of the Note and the FHA Commitment and any amendments thereto issued by FHA and acceptable to the Lender.

15. Prepayment Provisions. The Insured Loan shall be subject to such prepayment provisions as are set forth in the Quote. The Note shall also contain such prepayment prohibitions as are required by FHA.

16. Loan Documents; Approvable Entities. The Insured Loan shall be evidenced and secured by such documents (the "Loan Documents") as shall be required by the Lender and FHA. The Loan Documents shall include but not necessarily be limited to: the Note, the Mortgage, a Regulatory Agreement, the Borrower's organizational documents, title insurance policy, survey, hazard insurance policy, a Security Agreement, UCC financing statements, evidence of availability of utilities, evidence of compliance with zoning requirements, Borrower's attorney's opinion, letters

of credit and various certificates, permits, assurances, receipts and other ancillary instruments, forms and agreements. All of such documents shall be in form and substance acceptable to Lender, its counsel and FHA. In addition, each insurance company, issuer of a letter of credit or title company which will execute or issue any of the Loan Documents (collectively, the "Approvable Entities") shall be subject to the Lender's approval.

The Borrower shall furnish or cause to be furnished to the Lender at least twenty-one (21) days prior to the scheduled date of FHA Endorsement such information concerning each of the Approvable Entities as the Lender may require and copies of all of the proposed Borrower prepared Loan Documents to be delivered at FHA Endorsement, other than those prepared by the Lender and its counsel. Lender's counsel shall provide to Borrower's counsel a list of closing documents to be provided by Borrower.

17. Financial Requirements for Closing; Cash Payments and Letters of Credit. The Borrower will deposit with the Lender at FHA Endorsement, in cash or unconditional, irrevocable letters of credit, certified checks or certificates of deposit acceptable in all respects to the Lender, such amounts as are required pursuant to the FHA Commitment and this Commitment, if any. Any letter of credit, shall be unconditional and irrevocable, shall name the Lender as beneficiary, shall be assignable, and shall provide for disbursements to be made thereunder on the basis of sight drafts without the necessity for presentation of any accompanying documents, except as the Lender may expressly approve in advance. Without limiting the generality of the foregoing, all letters of credit shall be in strict compliance with the requirements of GNMA.

18. Escrows. The Borrower shall furnish to the Lender at or prior to FHA Endorsement all escrows as shall be required by FHA and this Commitment. Disbursement of such escrows shall be in accordance with the FHA Requirements and the requirements of Lender.

19. Construction Loan.

(a) The Borrower has represented to the Lender that it intends to finance construction of the Project with the proceeds of a conventional loan (the "Construction Loan") secured by the Project. The Insured Loan is intended to provide funds for the repayment of the Construction Loan upon completion of construction of the Project and upon FHA Endorsement of the Insured Loan. However, the Lender has no knowledge of the terms of the Construction Loan or the amount which will be required to effectuate such repayment upon completion of the Project, and the Lender makes no representation as to whether the proceeds of the Insured Loan will be sufficient to repay the Construction Loan. The Lender shall be under no obligation to provide sufficient funds for such repayment. This Commitment is entered into solely for the benefit of the Lender and the

Borrower and no party shall be deemed a third party beneficiary hereof. Without limiting the generality of the foregoing, the Lender shall be under no obligation whatsoever to the Lender providing the Construction Loan (the "Construction Lender") and the Construction Lender shall not have any right to rely upon this Commitment.

(b) In addition to the other conditions set forth herein, the Lender's obligation to make the Insured Loan is subject to satisfaction of the following conditions precedent:

i) completion of construction of the Project in accordance with all requirements of FHA, including payment of the inspection fee due to FHA, and in accordance with the plans and specifications approved by FHA;

ii) final approval by FHA of such construction;

iii) delivery by the Borrower to the Lender of such guarantees of latent defects and/or completion of construction as may be required by FHA;

iv) satisfaction of all requirements of the Construction Lender;

v) full and complete release of all liens, pledges or other interests of the Construction Lender in the Project and any assets of the Borrower; and

vi) full and complete satisfaction of any and all obligations, including contingent obligations, owed by the Borrower to the Construction Lender.

(c) The Borrower shall indemnify the Lender and hold it harmless from and against any and all claims, demands and liability, including without limitation, attorney's fees, arising from or relating to the Construction Loan.

20. Financing Fees and Costs to be Paid By Borrower.

(a) At the closing of the Construction Loan, the Borrower shall pay to the Lender the sum of $52,500.00 (1.5% of the Insured Loan Amount) less amounts previously paid to the Assigning Mortgagee, for its fees in connection with the processing of the FHA Commitment and the closing of the Insured Loan, which the Lender shall remit to the Assigning Mortgagee. In the event of any change in the Insured Loan Amount, such fee shall be adjusted accordingly at Closing. In addition, Borrower shall pay to Lender at Closing the sum of $26,400.00 as reimbursement of its fees, costs and expenses (including the fees and expenses of the Lender's counsel, and GNMA related fees and expenses).

(b) At Closing, the Borrower shall pay to the Lender any amounts to be paid as a discount/placement fee pursuant to the Quote accepted by the Borrower.

(c) The Borrower shall be responsible for all loan extension fees specified in this Commitment and in the Quote.

(d) The Borrower shall pay all expenses in connection with the making of the Insured Loan and the disbursement of funds from any escrow posted at FHA Endorsement, promptly as they become due. Such expenses shall include but not be limited to all title insurance premiums and other title company charges, recording and filing fees and charges, survey costs, FHA fees and mortgage insurance premiums, all fees, and other amounts payable to the Lender pursuant to this Commitment, and all other legal fees and expenses incurred by the Borrower. In addition, if and to the extent that the Lender uses borrowed funds to fund the Insured Loan prior to the issuance of the related GNMA Security, the Borrower shall pay to the Lender the amount, if any, by which the Lender's cost of such funds exceeds the interest rate payable on the Insured Loan.

21. Late Payment Penalty. In the event any installment, or part of any installment due under the Note becomes delinquent for more than fifteen (15) days, there shall be due at the option of the holder of the Note, in addition to other sums then due thereunder, a sum equal to two percent (2%) of the amount of principal and interest so delinquent. Whenever, under the law of the State where the Project is located the amount of any such late charge is considered to be additional interest, this provision shall not be used if the rate of interest specified in the Note, together with the amount of the late charge would aggregate an amount in excess of the maximum rate of interest permitted and would constitute usury.

22. Insurance. Prior to FHA Endorsement, the Borrower shall provide to the Lender evidence that the Project is insured pursuant to a multi-peril policy including public liability, fire, extended coverage and vandalism and malicious mischief insurance in form, substance and amount acceptable to Lender, in an aggregate amount equal to or exceeding the FHA Property Insurance Requirements. In addition the Borrower shall provide to the Lender any and all additional insurance required by FHA or reasonably required by the Lender. Such policies shall have the standard mortgagee clause, showing loss, if any, payable to Wells Fargo Bank, N.A., 2010 Corporate Ridge, Suite 1000, McLean, Virginia, 22102, their successors or assigns, as their interest may appear. Such policies shall be written by a company acceptable to Lender.

23. Financial Information. Until the Insured Loan is repaid in full, the Borrower will provide the Lender with a copy of an annual audit from an independent CPA which shall be delivered at the time that such audit is required to be delivered to FHA pursuant to the Regulatory Agreement. The Lender may provide such information to parties with a financial interest in the Insured Loan.

24. Inspections. Pursuant to the FHA Requirements, the Lender is required to perform an annual site inspection of the Project and certain other inspections of the Project from time to time. The Lender may provide such information to parties with a financial interest in the Insured Loan. The Borrower agrees to cooperate and assist the

Lender in performing such inspections and, to the extent permitted pursuant to the FHA Requirements, to reimburse the Lender its reasonable costs and expenses for any inspections relating to insurance losses or completion of required building improvements or repairs or in connection with any condemnation awards.

25. Compliance with FHA Requirements. For so long as the Insured Loan shall remain outstanding, the Borrower shall comply with all applicable FHA Requirements.

26. Use of FHA Debentures. The Borrower acknowledges that the Act gives the Lender, as an FHA-approved mortgagee, the option to pay annual mortgage insurance premiums in cash or FHA debentures. The Borrower shall make no claims to any benefit the Lender may be entitled to receive by utilizing FHA debentures in payment of such annual mortgage insurance premium in accordance with the Lender's privilege under the mortgage insurance contract with FHA.

27. Use of Funds. Borrower agrees that, subject to the Lender's obligation to hold and apply funds in accordance with FHA Requirements, once it makes payment to the Lender or its agent (or the Lender receives payment on behalf of the Borrower) for interest, principal, escrows, deposits, late fees, prepayment penalties or otherwise in connection with the Insured Loan or any documents executed in connection therewith that the Borrower thereafter has no right, title or interest whatsoever (either directly or indirectly) to receive any benefits which may accrue to the Lender or any other party as a result of its having received, exchanged, or otherwise sold such funds, securities or other valuables in connection with the Insured Loan.

28. Additional Conditions. In addition to any other conditions set forth herein and in the FHA Commitment, the Lender's obligation to make the Insured Loan is contingent upon all of the following conditions being satisfied in form and substance to the satisfaction of the Lender in its sole discretion:

(a) The FHA Commitment shall have been assigned to the Lender.

(b) The FHA Commitment must be in full force and effect and in form and substance satisfactory to the Lender, and FHA Endorsement of the Insured Loan in accordance with the terms of the FHA Commitment and this Commitment must have occurred within the time period provided in this Commitment.

(c) The Borrower, all principals of the Borrower and the Approvable Entities shall be approved by the Lender and FHA.

(d) The Borrower shall have accepted a Quote pursuant to paragraph 12 hereof.

(e) The Lender and the Investor shall enter into the Purchase Agreement.

(f) Any extension fees or other sums due hereunder shall have been paid.

29. Assignment and Waiver. This Commitment when executed by the parties hereto contains the complete and entire terms, conditions and understandings of the parties hereto of the Lender's agreement to provide the Insured Loan as indicated, and no changes will be recognized as valid unless they are reduced to writing and similarly executed. No specific waiver of any of the terms hereof shall be considered as a general waiver. This Commitment may not be assigned without the written consent of the Lender. The Lender may assign this Commitment to an assignee which is financially capable of performing the Lender's obligations hereunder in accordance with the express terms hereof.

30. Interpretation.

(a) In this Commitment, unless the context otherwise requires, any certificate, letter or opinion required to be given pursuant to this Commitment shall mean a signed document attesting to or acknowledging the circumstances, representations, opinions of law or other matters therein stated or set forth.

(b) Nothing in this Commitment expressed or implied is intended or shall be construed to confer upon, or give to, any person, other than the Lender and the Borrower any right, remedy or claim under or by reason of this Commitment or any covenants, promises and agreements herein contained.

(c) If any one or more of the covenants or agreements provided herein on the part of the Borrower to be performed should be contrary to law, then such covenant or covenants or agreement or agreements shall be deemed separable from the remaining covenants and agreements hereof and shall in no way affect the validity of the other provisions of this Commitment.

(d) The Borrower agrees to comply with all applicable FHA rules, regulations and statutes in connection with the Project.

31. Books and Records. The Borrower shall maintain its books and records in compliance with the requirements of FHA.

32. Secondary Financing. Without the approval of FHA and the Lender, no secondary financing with respect to the Project shall be permitted, as long as the Insured Loan remains outstanding.

33. Brokerage Indemnity. The Borrower represents that no broker brought about the issuance of this Commitment or the making of the Insured Loan pursuant hereto, and the Borrower agrees to indemnify the Lender and hold it harmless from and against any and all claims, demands and liability for brokerage commissions, assignment fees, finder's fees or other compensation arising from the issuance of this Commitment or the making of the Insured Loan which may be asserted against the Lender by any person or entity.

34. Survival. All of the terms and provisions set forth in this Commitment shall survive FHA Endorsement and shall continue in full force and effect until the Lender shall have received payment in full of the Insured Loan, and all interest thereon, all fees due and payable from the Borrower as set forth in this Commitment, and all other sums provided for in the Loan Documents.

35. Representations and Warranties. In order to induce the Lender to issue this Commitment and make the Insured Loan in accordance with the terms and conditions hereof, the Borrower hereby represents and warrants as follows:

(a) the Borrower is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization and the jurisdiction where the Project is located;

(b) the Borrower has full authority to execute and deliver this Commitment and all documents required pursuant hereto and to perform all of the obligations set forth hereunder and thereunder;

(c) this Commitment evidences the Borrower's valid, binding and enforceable agreement;

(d) neither the execution of this Commitment nor the consummation of the transactions described herein is a violation of the Borrower's limited partnership agreement or other organizational documents or of any contract, law, judgment, order, rule or regulation by which it is bound.

(e) the Borrower has entered into a binding and enforceable commitment with the Construction Lender to provide the Construction Loan in an amount sufficient to pay all costs of development of the project.

36. Acceptance of Commitment; Extension Fees. If you desire to accept this Commitment, please return a copy of this Commitment with your acceptance endorsed thereon to us by 12:00 noon Eastern Time July 20, 2007, along with your wire transfer to the account identified in Exhibit B attached hereto in the amount of $105,000.00 (three percent of the Mortgage Loan amount). Subject to the remainder of this paragraph, such

Good Faith Deposit shall be returned to the Borrower only at issuance of the GNMA Security. Without limiting the generality of the foregoing, such Good Faith Deposit shall be forfeited if, for any reason: A) FHA Endorsement does not occur on or before the Required FHA Endorsement Date set forth in the Quote or B) the Lender does not deliver the GNMA Security to the Investor by the GNMA Security Delivery Date set forth in the Quote, as extended. Forfeiture of the Good Faith Deposit shall not constitute liquidated damages and the Borrower shall remain liable to the Lender for all the extension fees, all amounts which would have been payable to the Lender and would have been earned by the Lender had the Insured Loan closed pursuant to this Commitment and all additional damages which may be incurred by the Lender as a result of the failure of the Insured Loan to close. If the FHA Endorsement has not occurred by the Required FHA Endorsement Date, or if the GNMA Security is not delivered by the GNMA Security Delivery Date, such dates shall be extended pursuant to the terms set forth in this Commitment and in the Quote.

Unless we receive your acceptance of this Commitment, and the Good Faith Deposit, on or before 12:00 noon Eastern Time, July 20, 2007, this Commitment shall automatically be terminated as of such date and shall be null and void from and after such date, in which event we shall have no further liability or obligation hereunder whatsoever.

37. No Material Adverse Changes; Lender's Right to Terminate. The Lender may terminate this Commitment at its sole discretion, upon a good faith determination, that after the date hereof and prior to FHA Endorsement (i) there has been a material adverse change in the financial condition of the Borrower or its principals, the rental market bearing on the Project or in other matters the Lender considered relevant in underwriting the Insured Loan, or (ii) there comes into effect any amendment, modification or change in FHA and/or GNMA statutory, regulatory or administrative requirements, which materially and adversely effects the Insured Loan transaction, or creates for the Lender additional costs or expenses of the transaction which the Borrower is unwilling to pay or reimburse. The Lender shall have no liability to the Borrower for any termination under this Section.

38. Applicable Law. By accepting this Commitment, the Borrower agrees that it was negotiated and made in the Commonwealth of Virginia, that any action hereunder or pursuant to the documents executed and delivered pursuant hereto shall only be brought in the federal or local courts in the Commonwealth of Virginia, and that the rights and obligations of the parties with respect to this Commitment and the documents executed and delivered pursuant hereto shall be determined in accordance with the laws of the Commonwealth of Virginia including any applicable federal law.

39. Severability. If any one or more of the provisions hereof shall be contrary to the law, then such provision shall be deemed severed herefrom and shall not affect the validity of the balance hereof.

If this Commitment is acceptable please execute the enclosed copy and return it to us by not later than 12:00 noon July 20, 2007.

Very truly yours,

WELLS FARGO BANK, N.A.

By: _____
Michael A. Aquilino,
Senior Vice President

ACCEPTANCE:

The undersigned hereby accepts the foregoing Commitment and agrees (i) to perform or cause to be performed all of the obligations on the part of the Borrower contained therein, (ii) to be bound by all of the terms, provisions and conditions thereof and (iii) to cause the FHA Endorsement of the Mortgage Loan to be consummated. The undersigned hereby authorizes WELLS FARGO BANK, N.A. and AGM FINANCIAL SERVICES, INC. to publicize the fact that it is providing the financing for the Project.

ORCHARD RIDGE RENTAL I, LLC

By: _____

Name: Mark H. Dambly, President
Pennrose GP, LLC

Date: 7-19-07

EXHIBIT A

Insured Loan Terms Confirmation

Pursuant to Paragraph 12 of the Commitment dated July 9, 2007 (the "Commitment"; Unless otherwise defined, all terms used herein shall have the meanings set forth in the Commitment.) Wells Fargo Bank, N.A.'s ("the Lender") current offered interest rate and terms for the Insured Loan are:

1. Type of Project:	221(d)(4)
2. Term:	480 months
3. Name of Project:	Orchard Ridge Rental Phase I
4. Location of Project:	Baltimore, Maryland
5. FHA Project #:	052-35652
6. Insured Loan Amount:	$3,500,000
7. Variance of Insured Loan Amount:	+ or - five percent (5%)
8. Discount/Placement Fee	N/A
9. FHA Note Rate:	5.97%
10. Lock Out:	1 year
11. Pre-Payment Penalties:	Then 10,10,10,10,5,4,3,2,1,0%
12. Required FHA Endorsement Date:	July 31, 2009
13. GNMA Security Delivery Date:	August 30, 2009
14. Extension Fee:	3/8^{ths} of 1%
15. Maximum Number of Monthly Extensions:	6

If you wish to accept the foregoing Insured Loan terms, please execute this Confirmation in the space provided below and return it to us within the time limitations set forth in the Commitment. Pursuant to the Commitment, the foregoing terms shall not be binding upon the Lender until the Lender shall have received the Borrower's acceptance of this Quote and the Investor's final confirmation of terms acceptable to the Lender. All terms and conditions of the Commitment remain in full force and effect and shall not be deemed to have been modified or extended except as specifically set forth herein.

The Required FHA Endorsement Date and the GNMA Security Delivery Date shall be extended for successive one-month periods up to the Maximum Number of Monthly Extensions. For each such extension, or portion thereof, the Borrower shall pay to the Lender, on the first day of each such extension, the Extension Fee. The Lender shall have no obligation to proceed to closing after the Required FHA Endorsement Date unless such Extension Fees shall have been paid.

Your execution of this Confirmation shall constitute your direction to the Lender to enter into a delivery commitment to deliver the GNMA Security to the Investor by the GNMA Security Delivery Date on terms acceptable to the Lender in its sole discretion. By your execution of this Confirmation you acknowledge that if the Lender does not deliver the GNMA Security by the GNMA Security Delivery Date, the Lender and the Investor will

suffer substantial damages and you acknowledge that, pursuant to the terms of the Commitment, if FHA Endorsement does not occur by the Required FHA Endorsement Date or the GNMA Security is not delivered to the Investor, or if the Insured Loan is not otherwise delivered, by the GNMA Security Delivery Date, you will forfeit the Good Faith Deposit and remain liable to the Lender for all extension fees, all amounts which would have been payable to the Lender and would have been earned by the Lender had the Insured Loan closed pursuant to this Commitment and all additional costs and damages incurred by the Lender and the Investor as a result of such failure to close the Insured Loan or deliver the GNMA Security.

WELLS FARGO BANK, N.A.

By: _____
Michael Aquilino, Senior Vice President

The foregoing terms are accepted in accordance with the Commitment.

ORCHARD RIDGE RENTAL I, LLC

By: _____
Penrose GP, LLC
Name: Mark H. Dambly, President

Date: July 20, 2007

EXHIBIT B

WIRING INSTRUCTIONS FOR WELLS FARGO BANK, N.A.

BANK:	WELLS FARGO BANK, N.A.
ABA:	121000248
CREDIT:	Wells Fargo Bank, NA
	2010 CORP RIDGE SUITE 1000
	MCLEAN, VA 22102
ACCOUNT:	412-1489116
DETAILS:	NOTIFY ACCOUNTING (703) 760-4700
REFERENCE:	**Orchard Ridge Rental Phase I**

S:\Smith-H\WELLS FARGO\221(d)(4)\Orchard Ridge\COMM INS UPON COM 8-31-06 JF 0411 je.doc

Robert L. Ehrlich, Jr.
GOVERNOR

Michael S. Steele
LT. GOVERNOR

Shawn S. Karimian
ACTING SECRETARY

DHCD
Maryland Department of Housing and Community Development

November 6, 2006

Orchard Ridge Rental I, LLC
1318 E. Fort Avenue, 1st Floor
Baltimore, Maryland 21230

Attention: Patrick Wagner

RE: Orchard Ridge Rental: Phase I
PRHP Loan No.: 26.03.0029

Dear Mr. Wagner:

The Department of Housing and Community Development of the State of Maryland (the "Department") offers by this letter (the "Commitment") to make a loan (the "Loan") in the amount and on the terms and conditions set forth below to Orchard Ridge Rental I, LLC (the "Borrower").

1. AUTHORITY

1.1 Statutory Authority: This Commitment is issued under the Partnership Rental Housing Program pursuant to Sections 4-1201 through 4-1209 of the Housing and Community Development Article of the Annotated Code of Maryland, as amended and the regulations promulgated thereunder (the "Act").

2. PROJECT FINANCING

2.1 Use of Funds: The Loan shall be used to finance costs for construction of 40 rental units located at 4550 Freedomway N., 1599 Freedomway N. and 4047 Sinclair Lane, Baltimore, Maryland, known as Orchard Ridge Rental: Phase I (the "Project"). The Project is part of a larger undertaking containing 100 residential rental units (the "Undertaking").

2.2 Other Financing: The Loan will be subordinate to a first lien securing a construction and permanent loan to the Borrower in the amount of $3,250,000 from Wells Fargo Bank (the "First Lender") at an interest rate to be determined, for a term of 40 years plus a construction period not to exceed 18 months (the "First Loan"). The Loan will be superior to a third lien securing a loan from the Housing Authority of Baltimore City ("HABC" or the "Third Lender") to Borrower in the amount of $3,200,000 at the AFR which loan shall be co-terminus with the Loan (the "Third Loan").

3. TERMS OF THE LOAN

3.1 Principal Amount: Up to $3,000,000.

OFFICE OF THE SECRETARY

100 Community Place
Crownsville, MD 21032

PHONE 410-514-7005
TOLL FREE 1-800-756-0119
FAX 410-987-4070
TTY/RELAY 711 or 1-800-735-2258
WEB www.mdhousing.org

3.2 Term: The construction or rehabilitation loan period shall not exceed 17 months commencing on the date the Loan closes (the "Initial Closing"), which shall include three months for cost certification (the "Construction Loan Period"). The permanent loan period shall commence at the end of the Construction Loan Period and continue until the Maturity Date, as defined in Section 3.4 below (the "Permanent Loan Period").

3.3 Interest Rate: The Loan shall bear interest at the rate equal to the rate of interest paid by the State on the state bonds, the proceeds of which provide funds for the Project (the "State Bonds"), or other moneys of the State used to fund the Project, plus any costs of redemption for the State Bonds, all as determined by the Department in its sole discretion.

3.4 Repayment:

(a) All payments of principal and interest on the Loan shall be deferred as long as the Project is owned and operated by the Borrower as a Partnership Rental Housing Project in accordance with the Act. The Department intends that payment of the Loan be deferred and the Loan remain outstanding in perpetuity. However, the entire principal balance of the Loan, together with all deferred interest, shall become due and payable on the occurrence of any of the following: (a) such time when the Project is no longer being used as a Partnership Rental Housing Project for eligible households in accordance with the Act; (b) the refinancing, sale, transfer, or conveyance of the Project other than to HABC or a wholly-owned subsidiary of HABC; (c) any encumbrance of the Project without the prior written consent of the Department, and (d) default on the Loan (the "Maturity Date").

(b) Notwithstanding the foregoing, the Department shall assign to the Mayor and City Council of Baltimore (the "City") its rights to payment of the principal balance of the Loan and an accrued interest obligation equal to one quarter of one percent of the principal amount of the Loan over 40 years (together the "City Obligations") pursuant to a Conditional Assignment to be executed by and between the Department and the City, and a Tri-Party Agreement to be executed by and among the Department, the Borrower and the City. The City Obligations shall be due forty years from the beginning of the Permanent Loan Period, provided that there has not occurred an event set forth in Section (a) which has not been expressly waived by the Department in writing.

3.5 Prepayment: The Loan may not be prepaid without the prior written consent of the Department and bond counsel for the State Bonds, if any, the proceeds of which were used to fund the Loan. Any permitted prepayment shall be in an amount equal to the outstanding principal balance of the Loan, together with all accrued but unpaid interest. All prepayments shall be made in accordance with the requirements of Maryland Code of Regulations 05.05.05.11.

3.6 Late Payment Charge: A late charge of 5% of the payment due may be charged if the payment is more than 10 days late.

3.7 Regulated Units: All 40 units in the Project shall be occupied by households whose incomes do not exceed 50% of statewide median income.

The units in the Undertaking shall be restricted as follows: 31 units will be occupied by

households whose incomes do not exceed 30% of area median, 19 units will be occupied by households whose incomes do not exceed 40% of area median, 15 units will be occupied by households whose incomes do not exceed 50% of area median, 15 units will be occupied by households whose incomes do not exceed 60% of area median, and 20 units will be unrestricted as to income. The Project units overlap with 40 of the Undertaking Units and the more restrictive income limits shall apply to those units.

3.8 Low Income Housing Tax Credit: On or before Initial Closing, the Borrower shall have received from the Department a reservation for an allocation of low income housing tax credits in the amount of $713,483.

3.9 Syndication Proceeds: (a) The Borrower shall use its best efforts to sell at least 99.98% of ownership interests in the Borrower for $7,384,000 to investors no later than Initial Closing.

(b) "Net Syndication Proceeds" (equal to the difference between the total gross proceeds of syndication and costs of syndication approved by the Department) shall be distributed in the following priority:

(1) to pay operating expenses, debt service and replacement reserves;

(2) to pay any deferred developer fee;

(3) to pay any deferred property management fee;

(4) to pay a supervisory management fee; and

(5) to pay a predevelopment loan from CharterMac.

(c) The Borrower shall execute an assignment and security agreement granting a security interest in the syndication proceeds and partnership interests.

(d) The Department shall be given a copy of any syndication offering statement prior to execution.

4. FUNDS AND ACCOUNTS

4.1 Reserve for Replacements: Beginning with the Permanent Loan Period, the Borrower shall deposit $2,500 per month into a reserve fund for replacements. This reserve fund shall be held by the Department, except to the extent such an amount is held by the First Lender.

4.2 Supportive Services Reserve: At Substantial Completion (as defined in Exhibit A attached hereto), the Borrower shall deposit $250,000 into a supportive services reserve to be held by the Department, except to the extent such an amount is held by the First Lender, and used for supportive services for the tenants of the Undertaking. The reserve shall be maintained until the earlier of the depletion of all funds or the Maturity Date of the Loan. If any funds remain at the Maturity Date, they shall be applied first to reduce the remaining principal balance of the Loan and then disbursed to HABC to be used for the housing needs of low and moderate income persons who need not reside in the Project.

4.3 Operating Reserve: Beginning with the Permanent Loan Period, the Borrower shall deposit $215,000 into an operating deficit account to be held by the Department, except to the extent such an amount is held by the First Lender. Monies may be disbursed for Project operating expenses at the direction of the Department.

4.4 Rent-Up Reserve. At substantial completion, the Borrower shall deposit $50,000 into a rent-up reserve to be held by the Borrower in the name of the Project. Rent-up reserve funds may be disbursed only with the Department's approval.

4.5 Tax and Insurance Escrow. At substantial completion, the Borrower shall deposit $100,000 into a tax and insurance escrow account to be held by the Borrower in the name of the Project. Funds from the tax and insurance escrow account shall be used, with the approval of the Department, to pay payments in lieu of taxes, insurance premiums and other similar assessments relating to the real property.

4.6 Working Capital Fund. The Borrower shall deposit $65,000 into a working capital fund account. The working capital fund account or the letter of credit may be used to pay Project expenses with the consent of the Department.

4.7 Residual Receipts Account. All Undertaking revenues in excess of allowable expenses shall be deposited into a residual receipts account.

4.8 Construction Contingency Reserve: A construction contingency reserve in the amount of $811,430 will be reserved from Project proceeds in accordance with the budget approved by the Department and may be used, at the Department's discretion, to pay unanticipated costs of construction, to fund change orders approved by the Department during construction and to reimburse the Borrower at final closing of the Loan ("Final Closing") for approved costs not previously paid with Project proceeds. If the contingency fund is not used to reimburse the Borrower, the remaining funds shall be applied first, to pay the deferred developer's fee, second, to the reserve fund for replacements, and third, to reduce the balance of the Department's Loan.

4.9 Escrow Fund: Beginning with the Permanent Loan Period, the Borrower shall make monthly deposits for taxes, payments in lieu of taxes and special assessments, sewer and water rates and other governmental or municipal impositions, ground rent, if any, and insurance premiums, in order to accumulate with the Department sufficient funds to pay such impositions and premiums one month prior to their due date. The Department shall waive this requirement to the extent such escrow payments actually are collected by the First Lender.

4.10 Release of Funds. If the total amount in any of the Project accounts reaches a level which the Secretary and the City agree exceeds the reasonable foreseeable needs of a Project, the City and the Secretary may enter into an agreement to use the excess moneys for the housing needs of low and moderate income persons who need not reside in the Project.

5. SECURITY

5.1 Deed of Trust: The Borrower shall execute a Leasehold Deed of Trust, Security

Agreement and Assignment of Rents securing the Loan (the "Deed of Trust"), which will constitute a valid second lien on the real property on which the Undertaking is located (the "Property").

5.2 Other Security: (a) The Borrower shall execute a pledge of depository accounts which may be subordinate to the interests of the First Lender.

(b) The Borrower shall authorize the Department to file one or more financing statements with respect to the property securing the Loan.

6. COMPLETION ASSURANCES AND OTHER REQUIREMENTS

6.1 Assurance of Completion: The Borrower or Borrower's general contractor must provide payment and performance bonds naming the Department as obligee, each in the amount of 100% of the construction contract price, which shall be convertible at Final Closing of the Loan to a latent defect bond equal to 2.5% of the construction contract price as amended by change orders.

6.2 Guaranty of Completion: Pennrose GP, LLC and Doracon Development, LLC shall jointly and severally guaranty completion of the Project.

6.3 Local Resolution: The Department shall receive a certified copy of a local resolution, adopted by the Baltimore City Board of Estimates and approved by the Mayor of Baltimore City, authorizing the application for the Loan and designating the individual, agency or department responsible for coordinating with the Department in processing and administering the Loan.

6.4 Local Contribution:

(a) The Department shall receive satisfactory evidence that Baltimore City has made or will make, at or before Initial Closing, a local contribution to the Project from non-State sources in the form of the land on which the Project is located, together with any existing improvements, and any necessary off-site improvements or funds equal to the proportion of the acquisition cost of the property attributable to the land.

(b) The minimum amount of the local contribution shall be as set forth in Maryland Code of Regulations 05.05.05.16 and shall increase for every Partnership Rental Housing Project constructed by or in the local jurisdiction.

6.5 Other Financing:

(a) All other loans and grants described in Section 2.2 above shall be closed on or before Initial Closing.

(b) The Project shall receive no capital funding for the Project, other than the Loan, from any State appropriation funded programs.

6.6 Project Income:

(a) All net income received by the Project during the Construction Loan Period shall be held by the Borrower in trust for the Project and used subject to a regulatory agreement to be executed by the Borrower.

(b) The Borrower shall charge rents or provide subsidies from its own funds or other non-Department sources so that total Project income will be sufficient to pay all Project operating costs, including insurance premiums and any taxes imposed on the Project, and to make monthly deposits into the reserve fund for replacements pursuant to Section 4.1 above.

6.7 Rental Assistance: (a) No more than 20% of the tenants residing in the Project may receive rental assistance payments from rental assistance programs operating by the Department.

(b) At or prior to closing, the Department shall receive a copy of an Agreement between HUD and HABC to provide rental assistance for 50 households of the Project in the form of Section 8 Project-based vouchers, for 10 years with the option to renew annually. The vouchers will be for 14 one-bedroom units, 16 two-bedroom units, 18 three-bedroom units and 2 four-bedroom units.

6.8 Superior Mortgagee's Agreement: The First Lender shall execute an agreement in a form acceptable to the Department, consenting to the Department's lien, agreeing to provide the Department with timely notice of default, and the right to cure such default, and providing for a suspension of any non-monetary default not curable by the Department.

6.9 Environmental Assessment: The Borrower shall undertake a Phase I assessment of the Project in accordance with the requirements of Section 7 of Exhibit A.

6.10 Equal Opportunity Conference: In order to assure compliance with the standard non-discrimination requirements set forth in Section 10.2 of Exhibit A, the Borrower shall:

(a) attend an equal employment opportunity and preconstruction conference with the general contractor conducted by the Department prior to execution of any construction contracts, and

(b) if the Project is a rehabilitation project which requires moving of existing tenants, comply with the Department's relocation policy.

6.11 Title and Survey: Borrower shall deliver title insurance complying with the standard terms and conditions set forth on Exhibit A and a survey complying with the standard terms and conditions set forth on Exhibit A.

6.12 Cost Certification: Cost certification by a certified public accountant acceptable to the Department shall be required upon completion of construction.

6.13 Tenant Services. The Borrower will provide tenant services for the residents of the Project in accordance with a Tenant Services Plan approved by the Department.

6.14 Tenant Contributed Services. The Borrower shall provide a plan acceptable to the Department for households residing in the Project to contribute services and maintenance to enhance and

maintain either the Project or the community in which the Project is located.

6.15 Housing for Individuals with Disabilities or Special Needs. The Borrower shall designate 12 units of the Undertaking for occupancy by households that (i) have at least one member who is disabled or has special needs and (ii) are otherwise eligible under Section 3.7 above ("Units for Individuals with Disabilities"). The Borrower agrees to affirmatively market the Units for Individuals with Disabilities during initial lease up of the Project solely to such households until the earlier of: 1) 30 days following lease-up of 80% of all other units in the Project or, 2) until 12 units are rented to households with disabilities or special needs. Following initial lease-up, Borrower agrees to maintain a waiting list of income-eligible households with disabilities or special needs. If at any time any Unit for Individuals with Disabilities becomes vacant, and if fewer than 12 of the Project's units are occupied by households with disabilities or special needs, the Borrower agrees to give priority for occupancy of the Unit for Individuals with Disabilities to the households with disabilities or special needs on the waiting list.

7. FEES

7.1 Financing Fee. The Borrower shall pay the Department $45,000 (1.5% of the Loan amount) at Initial Closing as a financing fee.

7.2 Closing Fee. The cost to the Borrower for the Department's closing services is $20,000. This closing fee shall be paid at Initial Closing.

8. EXHIBITS

The following Exhibits attached hereto are an integral part of this Commitment and are incorporated herein by reference:

Exhibit A	--	Standard Terms and Conditions
Exhibit B	--	Closing Checklist
Exhibit C	--	Project Income Limits
Exhibit D	--	Financial Analysis (including final development budget and operating Proforma)
Exhibit E	--	Surveyor's Certificate

9. ACCEPTANCE AND EXPIRATION

9.1 If the terms and conditions of this Commitment are acceptable to you, please sign and return the enclosed five copies to the Department within 21 calendar days of the date hereof. Your acceptance shall be effective upon the Department's receipt of the five signed copies, otherwise this Commitment shall expire.

9.2 All preclosing documents must be provided and other conditions of closing must be met within 180 calendar days of the date hereof or the Department, in its sole discretion, may terminate this Commitment.

9.3 Notwithstanding any other provision of this Commitment, if the Initial Closing does not occur within one year of the date hereof, this Commitment shall terminate, unless the Department, in its sole discretion, chooses to extend this Commitment by giving written notice of such extension to the Borrower.

We are pleased to extend this Commitment and look forward to working with you.

Sincerely,

Patricia Rynn Sylvester
Director of Multi-Family Housing

Approved for form and
legal sufficiency

Assistant Attorney General

Accepted this _____ day of _____, 2006

ORCHARD RIDGE RENTAL I, LLC

By: _____, its managing member

By: _____
Name: _____
Title: _____

SUNTRUST

Nora C. Vlahoyiannis
First Vice President

SunTrust Bank
120 E. Baltimore Street - 24th Floor
Baltimore, MD 21202
Tel 410.986.1613
Fax 410.986.1655
nora.vlahoyiannis@suntrust.com

May 10, 2007

Mr. W. Patrick Wagner
Development Officer
Pennrose Properties LLC
1318 East Fort Avenue
First Floor
Baltimore, MD 21230

Re: Orchard Ridge Rental I, LLC
Commitment for $4 million Construction Loan

Dear Mr. Wagner:

I am pleased to advise you that SunTrust Bank (the "Bank") has agreed to lend Orchard Ridge Rental I, LLC (the "Borrower") up to $4,000,000 (the "Loan"), to be advanced from time to time, pursuant to a note, loan agreement and other documents (collectively "Loan Documents") to finance the construction of a 100 unit mixed income rental town home community that is to be part of a master-planned community in the Claremont neighborhood of northeast Baltimore City, MD (the "Project").

The Loan commitment is made with the following terms and conditions:

Borrower:	Orchard Ridge Rental I, LLC
Loan Amount:	$4,000,000
Interest Rate:	1 month LIBOR + 2.25%, floating and payable monthly. Interest will be calculated on the actual number of days elapsed over a year of 360 days.
Term/Maturity:	18 months from closing on the Loan with the opportunity for one, six (6) month extension option.
Extension Options:	The extension option will be permitted if: (1) all payments on the Loan are current; (2) all obligations of the Borrower under the Loan Documents and all documents related to financing provided by other sources have been met and no event of default exists under the Loan Documents; and (3) the Borrower pays to the Bank an extension fee of 0.25% of the outstanding principal amount of the Loan.

Repayment: Payment of interest only is due monthly through construction completion based on the outstanding balance on the loan and interest rate. The entire principal balance and unpaid interest is due at maturity. Prepayment is permitted under this Loan without penalty or premium.

Repayment of the Loan is expected to occur at construction completion with the funding of a $3,500,000 HUD/FHA loan and with the funding of the final LIHTC equity installment.

Loan Fee: 1% ($40,000), due at Loan closing. This fee shall be deemed earned upon payment and is non-refundable.

Guarantors: Pennrose Properties, LLC, Pennrose Development LLC, Doracon Development, LLC and Doracon Contracting, Inc. shall jointly, severally and unconditionally guaranty construction completion and repayment of the Loan and the performance of all obligations under all documents evidencing, securing and related to the Loan.

Collateral: A valid first lien leasehold deed of trust on the land, improvements and the 100 rental units, which is subject to a 99-year ground lease between the Borrower and the Housing Authority of Baltimore City. Value is to be determined by an appraisal, acceptable to the Bank. Total LTV is not to exceed 75%.

Other Financing: The Bank understands that there will be other financing for this Property that will be subordinate in all respects to the Loan. This financing includes:

- State of Maryland PRHP Loan ($3,000,000),
- City of Baltimore HOME Loan ($2,000,000),
- Housing Authority of Baltimore City – HUD Upfront Grant ($3,200,000),
- LIHTC Equity provided by Centerline ($7,384,000).

Disbursement of Loan: Based on information provided to the Bank by the Borrower, the Bank understands that its funds will be disbursed only after all funds from the other financing sources have been disbursed in full (with the exception of the final equity payment from Centerline).

Additional Requirements:

1. The transaction shall be at no cost to the Bank. All loan costs, including but not limited to, Borrower and Bank legal costs, environmental and appraisal costs, flood zone certification costs, recording and title costs, etc., shall be payable by the Borrower, whether or not the loan closes.

2. All documents, including a firm commitment and documents relating to the HUD/FHA take out, must to be acceptable in all respects to the Bank and its counsel. The loan documents shall be governed by the laws of the State of Maryland.

3. The Borrower's primary operating account (and any other Project related accounts) must be maintained at SunTrust.

4. "All-risk", general liability, and flood insurance (if required), evidenced by a valid binder or policy, shall be provided naming the Bank as Mortgagee and as Additional Insured Party.

5. A fixed price contract with the general contractor, Harkins Builders, must be acceptable to the Bank. Payment and performance bonds must be issued on the contractor, Harkins Builders. Inc., naming the Bank as beneficiary.

6. In the Bank's approval of the Loan, it has relied substantially upon the preliminary reconciliation of costs and application of proceeds statement supplied by the Borrower. Prior to Loan closing, the Borrower shall provide the Bank a final Sources and Application of Funds statement, which shall be acceptable to the Bank in its sole discretion.

7. The Borrower and Guarantors shall submit annual audited financial statements within 120 days of their fiscal year-ends. The financial statements shall include, among other information, a balance sheet, profit and loss statement and related footnotes acceptable in form and content to the Bank.

8. Construction monitoring will be performed by the Bank's Construction Administration Group and by our third party consultant, Building Consultants, Inc. All costs related to work

performed by the Bank's consultant will be paid for by the Borrower.

9. The Borrower and Guarantors agree that in the event any or all of them shall (a) file with any bankruptcy court of competent jurisdiction, or is subjected to any petition under Title 11 of the U.S. Code, as amended; (b) be the subject of any order for relief issued under Title 11 of the U.S. Code, as amended; (c) file or be the subject of any petition seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under any present or future federal or state act or law relating to bankruptcy, insolvency or other relief for debtor; (d) have sought or consented to or acquiesced in the appointment of any trustee, receiver, conservator, or liquidator; (e) be the subject of any order, judgment or decree entered by any court of competent jurisdiction approving a petition filed against such party for any reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under any present or future federal or state act or law relating to bankruptcy, insolvency, or relief for debtors, the Bank shall be entitled to relief from any automatic stay imposed by Section 362 of Title 11 of the U.S. Code, as amended, or otherwise, on or against the exercise of the rights and remedies available to it under the Loan Documents.

By your acceptance hereof, you agree to pay any out-of-pocket expenses incurred by the Bank in connection with the underwriting, closing, servicing or collection of the Loan, including but not limited to, fees and disbursements of the Bank's counsel, engineer fees, inspection fees, and appraisal fees, whether the Loan is disbursed or not.

This commitment is (i) not assignable, (ii) not intended to benefit any third party and (iii) subject to such other terms and conditions as may be reasonably required by the Bank or its counsel as is customary to this type of financing.

This commitment expires on May 31, 2007.

You may indicate your acceptance hereof by duly executing and returning one of the two originals of the commitment letter to my attention.

Thank you for the opportunity to participate in this worthwhile Project.

Sincerely,

Nora C. Vlahoyiannis
First Vice President

Agreed and Accepted:

Borrower: **Orchard Ridge Rental I, LLC**

By: Orchard Ridge Rental I Managing Member, LLC, Its Managing Member

By: Pennrose GP, LLC, Its Managing Member

By: Pennrose Properties, LLC, Its Managing Member

By: _____ 5-21-07
Date

Title: Mark W Dowling President

Guarantor: **Pennrose Properties, LLC**

By: _____ 5-21-07
Date

Title: Mark W Dowling President

Guarantor: **Pennrose Development, LLC**

By: _____ 5-21-07
Date

Title: Mark W Dowling President

Guarantor: **Doracon Development, LLC**

By: _____ _____
Date

Title: _____

Guarantor: **Doracon Contracting, Inc.**

By: _____ _____
Date

Title: _____

Attach proof/copies of all funding and financing sources obtained by the Developer from funding entities (award letters, etc.)

Orchard Ridge II

SUNTRUST

Nora C. Vlahoyiannis
First Vice President

SunTrust Bank
120 E. Baltimore Street - 24th Floor
Baltimore, MD 21202
Tel 410.986.1613
Fax 410.986.1655
nora.vlahoyiannis@suntrust.com

December 17, 2007

Mr. W. Patrick Wagner
Development Officer
Pennrose Properties LLC
1318 East Fort Avenue
First Floor
Baltimore, MD 21230

Re: Orchard Ridge Rental II, LLC
Commitment for $3,000,000 Construction Loan

Dear Mr. Wagner:

I am pleased to advise you that SunTrust Bank (the "Bank") has agreed to lend Orchard Ridge Rental II, LLC (the "Borrower") up to $3,000,000 (the "Loan"), to be advanced from time to time, pursuant to a note, loan agreement and other documents (collectively "Loan Documents") to finance the construction of a 72 unit mixed income rental town home community that is to be part of a master-planned community in the Orchard Ridge neighborhood of northeast Baltimore City, Maryland (the "Project").

The Loan commitment is made with the following terms and conditions:

Borrower:	Orchard Ridge Rental II, LLC
Loan Amount:	$3,000,000
Interest Rate:	1 month LIBOR + 2.25%, floating and payable monthly. Interest will be calculated on the actual number of days elapsed over a year of 360 days.
Term/Maturity:	18 months from closing on the Loan with the opportunity for one, six (6) month extension option.
Extension Options:	The extension option will be permitted if: (1) all payments on the Loan are current; (2) all obligations of the Borrower under the Loan Documents and all documents related to financing provided by other sources have been met and no event of default exists under the Loan Documents; and (3) the Borrower pays to the Bank an extension fee of 0.25% of the outstanding principal amount of the Loan.

Repayment: Payment of interest only is due monthly through construction completion based on the outstanding balance on the loan and interest rate. The entire principal balance and unpaid interest is due at maturity. Prepayment is permitted under this Loan without penalty or premium.

Repayment of the Loan is expected to occur at construction completion with the funding of a $2,500,000 permanent loan from Centerline Capital Group, Inc. and with the funding of the final LIHTC equity installment. It is understood that a portion of the final LIHTC equity installment will be used to fund a portion of the developer fee. The Bank requires 20% of the developer fee (approximately $275,949) be held with the Bank until its construction loan is repaid in full.

Loan Fee: 1% ($30,000), due at Loan closing. This fee shall be deemed earned upon payment and is non-refundable.

Guarantors: Pennrose Properties, LLC, Pennrose Development LLC and Doracon Development, LLC shall jointly, severally and unconditionally guaranty construction completion and repayment of the Loan and the performance of all obligations under all documents evidencing, securing and related to the Loan.

Collateral: A valid first lien leasehold deed of trust on the land, improvements and the 72 rental units, which is subject to a 99-year ground lease between the Borrower and the Housing Authority of Baltimore City. Value has been determined by an appraisal previously received and approved by the Bank. Total LTV is not to exceed 75%.

Other Financing: The Bank understands that there will be other financing for this Property that will be subordinate in all respects to the Loan. This financing includes:

- State of Maryland RHPP Loan ($1,500,000),
- City of Baltimore HOME Loan ($600,000),
- LIHTC Equity provided by Centerline (approximately $9,500,000).

Disbursement of Loan: Based on information provided to the Bank by the Borrower, the Bank understands that its funds will be disbursed only after all funds from the other financing sources have been disbursed in full (with the exception of the final equity payment from Centerline).

Additional Requirements:

1. The transaction shall be at no cost to the Bank. All loan costs, including but not limited to, Borrower and Bank legal costs, environmental and appraisal costs, flood zone certification costs, recording and title costs, etc., shall be payable by the Borrower, whether or not the loan closes.

2. All documents, including a firm commitment and documents relating to the Centerline permanent loan, must to be acceptable in all respects to the Bank and its counsel. The loan documents shall be governed by the laws of the State of Maryland.

3. The Borrower's primary operating account (and any other Project related accounts) must be maintained at SunTrust.

4. "All-risk", general liability, and flood insurance (if required), evidenced by a valid binder or policy, shall be provided naming the Bank as Mortgagee and as Additional Insured Party.

5. Payment and performance bonds must be issued on the contractor, Harkins Builders, Inc., naming the Bank as beneficiary.

6. In the Bank's approval of the Loan, it has relied substantially upon the preliminary reconciliation of costs and application of proceeds statement supplied by the Borrower. Prior to Loan closing, the Borrower shall provide the Bank a final Sources and Application of Funds statement, which shall be acceptable to the Bank in its sole discretion.

7. The Borrower and Guarantors shall submit annual audited financial statements within 120 days of their fiscal year-ends. The financial statements shall include, among other information, a balance sheet, profit and loss statement and related footnotes acceptable in form and content to the Bank.

8. Construction monitoring will be performed by the Bank's Construction Administration Group and by our third party consultant, Building Consultants, Inc. All costs related to work performed by the Bank's consultant will be paid for by the Borrower.

9. The Borrower and Guarantors agree that in the event any or all of them shall (a) file with any bankruptcy court of competent jurisdiction, or is subjected to any petition under Title 11 of the U.S. Code, as amended; (b) be the subject of any order for relief issued under Title 11 of the U.S. Code, as amended; (c) file or be the subject of any petition seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under any present or future federal or state act or law relating to bankruptcy, insolvency or other relief for debtor; (d) have sought or consented to or acquiesced in the appointment of any trustee, receiver, conservator, or liquidator; (e) be the subject of any order, judgment or decree entered by any court of competent jurisdiction approving a petition filed against such party for any reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under any present or future federal or state act or law relating to bankruptcy, insolvency, or relief for debtors, the Bank shall be entitled to relief from any automatic stay imposed by Section 362 of Title 11 of the U.S. Code, as amended, or otherwise, on or against the exercise of the rights and remedies available to it under the Loan Documents.

By your acceptance hereof, you agree to pay any out-of-pocket expenses incurred by the Bank in connection with the underwriting, closing, servicing or collection of the Loan, including but not limited to, fees and disbursements of the Bank's counsel, engineer fees, inspection fees, and appraisal fees, whether the Loan is disbursed or not.

This commitment is (i) not assignable, (ii) not intended to benefit any third party and (iii) subject to such other terms and conditions as may be reasonably required by the Bank or its counsel as is customary to this type of financing.

This commitment expires on January 31, 2008.

You may indicate your acceptance hereof by duly executing and returning one of the two originals of the commitment letter to my attention.

Thank you for the opportunity to participate in this worthwhile Project.

Sincerely,

Nora C. Vlahoyiannis
First Vice President

Agreed and Accepted:

Borrower: **Orchard Ridge Rental II, LLC**

By: Orchard Ridge Rental II Managing Member, LLC, Its Managing Member

By: Pennrose GP, LLC, Its Managing Member

By: _____ December 17, 2007
Mark H. Dambly, President Date

Guarantor: **Pennrose Properties, LLC**

By: _____ December 17, 2007
Date

Title: Mark H. Dambly, President

Guarantor: **Pennrose Development, LLC**

By: _____ December 17, 2007
Date

Title: Mark H. Dambly, President

Guarantor: **Doracon Development, LLC**

By: _____ 12/19/07
Date

Title: President

DHCD
Maryland Department of Housing and Community Development

Martin O'Malley
GOVERNOR

Anthony G. Brown
LT. GOVERNOR

Raymond A. Skinner
SECRETARY

Clarence J. Snuggs
DEPUTY SECRETARY

July 23, 2007

Orchard Ridge Rental II, LLC
1318 E. Fort Avenue, 1st Floor
Baltimore, Maryland 21230

Attention: Patrick Wagner

RE: Orchard Ridge Rental Phase II
Loan No.: RHPP 28.03.0172

Dear Mr. Wagner:

The Department of Housing and Community Development of the State of Maryland (the "Department") offers by this letter (the "Commitment") to make a loan (the "Loan") in the amount and on the terms and conditions set forth below to **Orchard Ridge Rental II, LLC** (the "Borrower").

1. AUTHORITY

1.1 Statutory Authority: This Commitment is issued under the Rental Housing Production Program pursuant to Sections 4-1501 through 4-1511 of the Housing and Community Development Article of the Annotated Code of Maryland, as amended, and the regulations promulgated thereunder (the "Act").

2. PROJECT FINANCING

2.1 Use of Funds: The Loan shall be used to finance costs for construction only of 72 rental units located at Sinclair Lane, Orchard Ridge Boulevard and Maple Shade Drive, Baltimore Maryland, known as Orchard Ridge Rental Phase II (the "Project").

2.2 Other Financing: The Loan will be subordinate to a first lien construction loan to the Borrower from The Reinvestment Fund ("TRF") in the amount of $3,000,000 at an interest rate based on the Wall Street Journal prime rate plus .5% for a term of up to 18 months (the "TRF Loan"), which loan will be refinanced after construction with a first lien permanent loan from Centerline Capital Group (together with TRF, the "First Lender") in the amount of $2,300,000 at an estimated interest rate of 6.61% for a term of 18 years with a 30 year amortization schedule (together with the TRF Loan, the "First Loan"). The Loan will be superior to a HOME loan from the Mayor and City Council of Baltimore City by and through its Department of Housing and Community Development to Borrower in the amount of $600,000 at the applicable federal rate for a term of 40 years.

3. TERMS OF THE LOAN

3.1 Principal Amount: Up to $1,500,000.

COMMUNITY DEVELOPMENT ADMINISTRATION
Division of Development Finance

100 Community Place
Crownsville, MD 21032

PHONE 410-514-7400
TOLL FREE 1-800-756-0119
FAX 410-987-8763
TTY/RELAY 711 or 1-800-735-2258
WEB www.mdhousing.org

3.2 Term: The construction or rehabilitation loan period shall not exceed 16 months commencing on the date the Loan closes (the "Initial Closing"), which shall include 3 months for cost certification (the "Construction Loan Period"). The permanent loan period shall be 40 years commencing at the end of the Construction Loan Period (the "Permanent Loan Period"). The date of the final principal payment during the Permanent Loan Period is the "Maturity Date."

3.3 Interest Rate: During the Construction Loan Period the interest rate charged shall be 0% per annum on sums advanced. During the Permanent Loan Period the interest rate charged shall be 4% per annum.

3.4 Repayment: (a) During the Construction Loan Period, interest shall not be charged on the then outstanding principal balance of the Loan advanced by the Department.

(b) Amortization of principal shall commence with the Permanent Loan Period. The Borrower shall make annual payments of principal and interest out of 75% of surplus cash so as to fully amortize the principal sum by the Maturity Date. Payments shall be applied first to interest then to principal. Any interest and principal not paid because of insufficient surplus cash shall be deferred and paid each subsequent payment date to the extent there is sufficient surplus cash. If the Borrower is unable to make the deferred payment in full on the next annual installment date, any unpaid amount shall continue to be due and payable on each subsequent annual installment date until paid in full. Interest shall continue to accrue on any deferred principal. The outstanding principal balance of the Loan together with all accrued interest shall be due and payable on the Maturity Date or upon acceleration following default.

3.5 Prepayment: The Loan may be prepaid in part or in full provided the Borrower complies with the conditions set forth in Section 9 of Exhibit A. Prepayment does not terminate the income restrictions applicable to the Project.

3.6 Payment Date: The entire principal balance of the Loan shall be due and payable on the first to occur of:

(a) the Maturity Date;

(b) the refinancing, sale, transfer, conveyance or any encumbrance of the Project or portion thereof without the prior written consent of the Department;

(c) default under the Loan documents; or

(d) default of any superior loan or subordinate loan.

3.7 Late Payment Charge: A late charge of 5% of the payment due may be charged if the payment is more than 10 days late.

3.8 Regulated Units: 40% of the units in the Project must be rented to families whose incomes do not exceed 60% of area median income, provided, however, that if the Extended Low Income Housing Covenant for Low Income Housing Tax Credits which the Borrower will execute in connection with the tax credits described in paragraph 3.10 hereof is released or terminated prior to the Maturity Date for any reason

then the following income restrictions shall apply:

(a) 16 units must be rented to families whose incomes do not exceed 30% of area median income.

(b) 4 units must be rented to families whose incomes do not exceed 40% of area median income.

(c) 27 units must be rented to families whose incomes do not exceed 50% of area median income.

(d) 10 units must be rented to families whose incomes do not exceed 60% of area median income.

3.9 Reserved.

3.10 Low Income Housing Tax Credit: On or before Initial Closing the Borrower shall have received from the Department a reservation for an allocation of low income housing tax credits in the amount of $1,000,000.

3.11 Syndication Proceeds: (a) The Borrower shall use its best efforts to sell at least 99.98% of ownership interests in the Borrower for approximately $9,500,000 to investors no later than Initial Closing.

(b) "Net Syndication Proceeds" (equal to the difference between the total gross proceeds of syndication and costs of syndication approved by the Department) shall be distributed in accordance with the DHCD approved budget and draw schedule for the following:

(1) To pay development costs included in the Project budget as approved by the Department;

(2) To fund reserves and accounts required by the Loan or syndication documents;

(3) To pay a developers fee is expected to be approximately $1,354,624;

(4) To pay any other approved development costs or fund Project betterments; and

(5) To reduce the balance of the Loan

(c) The Borrower shall execute an assignment and security agreement granting a security interest in the syndication proceeds and partnership interests.

(d) The Department shall be given two copies of any syndication offering statement prior to distribution.

4. FUNDS AND ACCOUNTS

4.1 Reserve for Replacements: Beginning with the Permanent Loan Period, the Borrower shall deposit $1,800 per month into a reserve fund for replacements. Disbursements from the reserve for replacements will require the Department's prior written approval. This reserve fund shall be held by the Department, except to the extent such an amount is held by the First Lender.

4.2 Support Services Reserve: At substantial completion, the Borrower shall deposit $175,000 into a supportive services reserve to be held by the Department or First Lender. The funds in the supportive services shall be applied with the consent of the Department for supportive services. The supportive services fund shall be held until the funds are exhausted.

4.3 Operating Deficit Account: At the beginning of the Permanent Loan Period, the Borrower shall deposit $186,000 into an operating deficit account to be held by the Department or the First Lender. Monies may be disbursed for Project operating expenses at the direction of the Department. The operating reserve account must be held for at least three years and until the Department determines that for each of 12 consecutive months, (a) Project income equals or exceeds the sum of all Project expenses plus 110% of all debt service obligations; and (b) the Project has maintained 90% occupancy. Any funds remaining at such time shall be used to pay unpaid portion of deferred developer fee, applied to reduce the balance of the loan or transferred to the Reserve for Replacements.

4.4 Rent-Up Reserve: At the beginning of the Permanent Loan Period, the Borrower shall deposit $108,000 into a Rent-Up Reserve to be held by the Department or the First Lender until the Project reaches 95% occupancy for three consecutive months. Prior to that time funds only may be disbursed with the Department's approval for Project expenses. Thereafter, any funds remaining may be applied, with the consent of the Department to (i) any unpaid portion of the deferred developer fee; (ii) be applied to other Project reserves or (iii) reduce the outstanding balance of the Loan.

4.5 Construction Contingency Fund: A construction contingency fund in the amount of $455,225 will be reserved from Project proceeds in accordance with the budget approved by the Department and may be used, at the Department's discretion, to pay unanticipated costs of construction, to fund change orders approved by the Department during construction and to reimburse the Borrower at final closing of the Loan ("Final Closing") for approved costs not previously paid with Project proceeds. If the contingency fund is not used to reimburse the Borrower, funds remaining in the contingency fund may be used, with the Department's consent, to pay any unpaid portion of the deferred developer fee, pay down the loan, be deposited into other Project reserves, or used for project betterments.

4.6 Escrow Fund: Beginning with the Permanent Loan Period, the Borrower shall make monthly deposits for taxes, payments in lieu of taxes and special assessments, sewer and water rates and other governmental or municipal impositions, ground rent, if any, and insurance premiums, in order to accumulate with the Department sufficient funds to pay such impositions and premiums one month prior to their due date. The Department shall waive this requirement to the extent such escrow payments actually are collected by a superior lienholder.

5. SECURITY

5.1 Deed of Trust: The Borrower shall execute a Deed of Trust, Security Agreement and Assignment of Rents securing the Loan (the "Deed of Trust"), which will constitute a valid second lien on the real property on which the Project is located (the "Property").

5.2 Other Security: (a) The Borrower shall execute a pledge of depository accounts as additional security.

(b) The Borrower shall authorize the Department to file one or more financing statements with respect to the property securing the Loan.

6. COMPLETION ASSURANCES AND OTHER REQUIREMENTS

6.1 Assurance of Completion: The Borrower or Borrower's general contractor must provide payment and performance bonds naming the Department as obligee, each in the amount of 100% of the construction contract price, which shall be convertible at Final Closing of the Loan to a latent defect bond equal to 2.5% of the construction contract price as amended by change orders.

6.2 Guaranty of Completion: Pennrose Properties LLC and Doracon Contracting Inc. shall execute a guaranty of completion of the Project.

6.3 Local Resolution: The Department shall receive a certified copy of an approving resolution, in a form satisfactory to the Department, duly adopted by Baltimore City and approved by Mayor of Baltimore City identifying the Borrower, the location and nature of the Project and approving the Department's financing of the Project.

6.4 Local Contribution: The Department shall receive satisfactory evidence that Baltimore City has made or will make, at or before Initial Closing, a local contribution to the Project in the form of (i) A HOME loan in the amount of $600,000; (ii) a 99-year ground lease at $1 per year ground rent; (iii) a PILOT governing the restricted units in the Project; and (iv) 20 Project-based section 8 vouchers for rental assistance.

6.5 Borrower's Equity: The Borrower shall contribute $3,591 as equity in the form of a deferred developer fee, in addition to the syndication proceeds described in Section 3.11, toward the total cost of the Project.

6.6 Interim Income: All net income received by the Project during the Construction Loan Period shall be held by the Borrower in trust for the Project.

6.7 Rental Assistance: The Borrower shall execute an Agreement to enter into a Housing Assistance Payments Contract under the Section 8 Program with Baltimore City with respect to 8 Project-based vouchers. Upon completion of the Project, the Borrower shall execute a Housing Assistance Payments Contract (the "HAP Contract") with Baltimore City. Borrower shall renew its rights under the HAP Contract so that it shall remain in full force and effect for not less than 10 years even if the Loan has

been repaid in full.

6.8 Superior Mortgagee's Agreement: The lienholder under any superior loan shall execute an agreement in a form acceptable to the Department, consenting to the Department's lien, agreeing to provide the Department with timely notice of default, and the right to cure such default, and providing for a suspension of any non-monetary default not curable by the Department.

6.9 Environmental Assessment: The Borrower shall undertake a Phase I assessment of the Project in accordance with the requirements of Section 7 of Exhibit A.

6.10 Equal Opportunity Conference: In order to assure compliance with the standard non-discrimination requirements set forth in Section 10.2 of Exhibit A, the Borrower shall:

(a) attend an equal employment opportunity and preconstruction conference with the general contractor conducted by the Department prior to execution of any construction contracts, and

(b) if the Project is a rehabilitation project which requires moving of existing tenants, comply with the Department's relocation policy.

6.11 Title and Survey: Borrower shall deliver title insurance complying with the standard terms and conditions set forth on Exhibit A and a survey complying with the standard terms and conditions set forth on Exhibit A.

6.12 Cost Certification: Cost certification by a certified public accountant acceptable to the Department shall be required upon completion of construction.

6.13 Tenant Services. The Borrower will provide tenant services for the residents of the Project in accordance with a Tenant Services Plan approved by the Department.

6.14 Housing for Individuals with Disabilities or Special Needs. The Borrower shall designate 8 units for occupancy by households that (i) have at least one member who is disabled or has special needs and (ii) are otherwise eligible under Section 3.8 above ("Units for Individuals with Disabilities"). The Borrower agrees to affirmatively market the Units for Individuals with Disabilities during initial lease up of the Project solely to such households until the earlier of: 1) 30 days following lease-up of 80% of all other units in the Project or, 2) until 8 units are rented to households with disabilities or special needs. Following initial lease-up, Borrower agrees to maintain a waiting list of income-eligible households with disabilities or special needs. If at any time any Unit for Individuals with Disabilities becomes vacant, and if fewer than 8 of the Project's units are occupied by households with disabilities or special needs, the Borrower agrees to give priority for occupancy of the Unit for Individuals with Disabilities to the households with disabilities or special needs on the waiting list.

6.15 Commitment Report. All items specified in the DHCD commitment report, dated July 2, 2007, must be addressed or resolved prior to closing the Loan.

7. FEES

7.1 Financing Fee. At Initial Closing, the Borrower shall pay the Department 1.5% of the Loan amount as a financing fee.

7.2 Closing Fee. The cost to the Borrower for the Department's closing services is $20,000. This closing fee shall be paid at Initial Closing.

8. EXHIBITS

The following Exhibits attached hereto are an integral part of this Commitment and are incorporated herein by reference:

Exhibit A	--	Standard Terms and Conditions
Exhibit B	--	Closing Checklist
Exhibit C	--	Project Income Limits
Exhibit D	--	Financial Analysis (including final development budget and operating Proforma)
Exhibit E	--	Surveyor's Certification

9. ACCEPTANCE AND EXPIRATION

9.1 If the terms and conditions of this Commitment are acceptable to you, please sign and return four of the enclosed five copies to the Department **by no later than July 31, 2007**. Your acceptance shall be effective upon the Department's receipt of the five signed copies, otherwise this Commitment shall expire.

9.2 All preclosing documents must be provided and other conditions of closing must be met within 180 calendar days of the date hereof or the Department, in its sole discretion, may terminate this Commitment.

9.3 Notwithstanding any other provision of this Commitment, if the Initial Closing does not occur within one year of the date hereof, this Commitment shall terminate, unless the Department, in its sole discretion, chooses to extend this Commitment by giving written notice of such extension to the Borrower.

We are pleased to extend this Commitment and look forward to working with you.

Sincerely,

Patricia Rynn Sylvester, Director
Multi-Family Housing

Approved for form and
legal sufficiency

Assistant Attorney General

Accepted this 23rd day of
July, 2007

ORCHARD RIDGE RENTAL II, LLC

By: Penrose GP, LLC

By: _____
Name: W. PATRICK WAGNER
Title: DEVELOPMENT OFFICER

Attach proof/copies of all funding and financing sources obtained by the Developer from funding entities (award letters, etc.)

Orchard Ridge III

Martin O'Malley
GOVERNOR

Anthony G. Brown
LT. GOVERNOR

Raymond A. Skinner
SECRETARY

Clarence J. Snuggs
DEPUTY SECRETARY

DHCD
Maryland Department of Housing and Community Development

June 30, 2008

Orchard Ridge Rental III, LLC
c/o Pennrose Properties, LLC
1318 East Fort Avenue, 1st Floor
Baltimore, Maryland 21230

Attention: Patrick Wagner, Senior Vice President

RE: Orchard Ridge Rental Phase III
PRHP Loan No.: 26.03.0032

Dear Mr. Wagner:

The Department of Housing and Community Development of the State of Maryland (the "Department") offers by this letter (the "Commitment") to make a loan (the "Loan") in the amount and on the terms and conditions set forth below to Orchard Ridge Rental III, LLC (the "Borrower").

1. AUTHORITY

1.1 Statutory Authority: This Commitment is issued under the Partnership Rental Housing Program pursuant to Sections 4-1201 through 4-1209 of the Housing and Community Development Article of the Annotated Code of Maryland, as amended and the regulations promulgated thereunder (the "Act").

2. PROJECT FINANCING

2.1 Use of Funds: The Loan shall be used to finance costs for acquisition and construction of 77 rental units located at Orchard Ridge Boulevard, Baltimore, Maryland 21213, known as Orchard Ridge Rental Phase III (the "Project").

2.2 Other Financing: The Loan will be superior to a subordinate lien securing a loan from the Mayor and City Council of Baltimore, acting by and through the Baltimore City Department of Housing and Community Development (the "City") to Borrower in the amount of $2,250,000 at the Applicable Federal Rate for a term of 40 years (the "City Loan").

3. TERMS OF THE LOAN

3.1 Principal Amount: Up to $6,545,000.

3.2 Term: The construction or rehabilitation loan period shall not exceed 15 months commencing on the date the Loan closes (the "Initial Closing"), which shall include 3 months for cost

COMMUNITY DEVELOPMENT ADMINISTRATION
Division of Development Finance

100 Community Place
Crownsville, MD 21032

PHONE 410-514-7400
TOLL FREE 1-800-756-0119
FAX 410-987-8763
TTY/RELAY 711 or 1-800-735-2258
WEB www.mdhousing.org

certification (the "Construction Loan Period"). The permanent loan period shall commence at the end of the Construction Loan Period and continue until the Maturity Date, as defined in Section 3.4 below (the "Permanent Loan Period").

3.3 Interest Rate: The Loan shall bear interest at the rate equal to the rate of interest paid by the State on the state bonds, the proceeds of which provide funds for the Project (the "State Bonds"), or other moneys of the State used to fund the Project, plus any costs of redemption for the State Bonds, all as determined by the Department in its sole discretion

3.4 Repayment: All payments of principal and interest on the Loan shall be deferred as long as the Project is owned and operated by the Borrower as a Partnership Rental Housing Project in accordance with the Act; subject however to the terms and conditions of (i) the Conditional Assignment (the "Assignment"), to be executed by and between the Department and the City and (ii) the Tri-Party Agreement by and among the Department, the City and the Borrower (the "Tri-Party Agreement"). However, the entire principal balance of the Loan, together with all deferred interest, shall become due and payable on the occurrence of any of the following: (a) such time when the Project is no longer being used as a Partnership Rental Housing Project for eligible households in accordance with the Act; (b) the refinancing, sale, transfer, or conveyance of the Project, other than to HABC or a wholly-owned subsidiary of HABC; (c) any encumbrance of the Project without the prior written consent of the Department, and (d) default on the Loan (each, a "Trigger Default").

Pursuant to the provisions of the Assignment and the Tri-Party Agreement, the Department will conditionally assign to the City certain rights to receive payments of an amount (the "City Obligations") equal to the principal balance of the Loan and an accrued interest component equal to one quarter of one percent over 40 years (the "City Accrued Interest Obligation"). On the fortieth anniversary of the permanent loan period (the "Maturity Date"), the Borrower will pay the City Obligations; provided that there has not occurred a default which has not been expressly waived by the Department in writing. Following the Maturity Date, the Borrower will still owe to the Department an amount of accrued interest (the "State's Accrued Interest Obligation") equal to the sum of (i) the original principal amount of the Loan, plus (ii) the amount which would be equal to accrued interest on the original principal amount of this Note at the Interest Rate over a period of 15 years, assuming no prepayments or other payments on account of the Loan, minus (iii) the City's Obligations. Following the Maturity Date, the State's Accrued Interest Obligation will become due and payable upon the occurrence of a Trigger Default.

3.5 Prepayment: The Loan may not be prepaid without the prior written consent of the Department and bond counsel for the State Bonds, if any, the proceeds of which were used to fund the Loan. Any permitted prepayment shall be in an amount equal to the outstanding principal balance of the Loan, together with all accrued but unpaid interest. All prepayments shall be made in accordance with the requirements of Maryland Code of Regulations 05.05.05.11.

3.6 Late Payment Charge: A late charge of 5% of the payment due may be charged if the payment is more than 10 days late.

3.7 Regulated Units: All units in the Project shall be occupied by households whose incomes do not exceed 50% of statewide median income.

3.8 Low Income Housing Tax Credit: On or before initial closing of the Loan ("Initial Closing"), the Borrower shall have received from the Department a reservation for an allocation of low income housing tax credits in the amount of $489,674.

3.9 Syndication Proceeds: (a) The Borrower shall use its best efforts to sell at least 99% of ownership interests in the Borrower for $3,919,000 to investors no later than Initial Closing.

(b) "Net Syndication Proceeds" (equal to the difference between the total gross proceeds of syndication and costs of syndication approved by the Department) shall be distributed in accordance with the DHCD approved budget and draw schedule for the following:

(1) to fund reserves and accounts required by the Loan or syndication documents;

(2) to pay development costs included in the Project budget as approved by the Department;

(3) to pay a Borrower's development fee of up to 15% of total actual approved development costs of the Project excluding acquisition costs, plus 10% of approved acquisition costs, which is expected to be $1,314,029;

(4) to pay any other approved development cost or fund Project betterments; and

(5) to reduce the balance of the Loan.

(c) The Borrower shall execute an assignment and security agreement granting a security interest in the syndication proceeds and partnership interests.

(d) The Department shall be given a copy of any syndication offering statement prior to execution.

4. FUNDS AND ACCOUNTS

4.1 Reserve for Replacements. (a) Commencing on the first day of the first month of the Permanent Loan Period, Borrower shall establish and thereafter maintain an interest bearing reserve for replacements account (the "Reserves for Replacements"). This account shall be titled in the name of the Borrower and shall be designated of record "Orchard Ridge Rental Phase III Reserve for Replacements Fund." All income earned on the account shall be added to the Reserve for Replacements.

(b) Beginning with the initial deposit establishing the Reserve for Replacements, the Borrower shall deposit to such account the amount of $1,925 on the first day of each month without demand. The Borrower and DHCD shall periodically review the amount of the monthly deposit, and the Borrower shall adjust its deposits to that amount approved or directed in writing by DHCD. The monthly payment into the Reserve for Replacements shall continue until the Loan is paid in full.

(c) In addition to the monthly payment required by Section 4.1(b) above, within 90 days after the end of each fiscal year, the Borrower shall deposit into the Reserve for Replacements any residual cash flow remaining at the end of an annual fiscal period after the payment of allowable project expenses and the segregation of funds for taxes, insurance and other project reserves.

(d) Disbursements from the Reserve for Replacements may be made for the purpose of maintenance, improvements and renovation of the Project, including but not limited to replacement of structural elements and mechanical equipment. Disbursements up to a maximum annual amount set by the Department may be made without prior Department approval. Disbursements in excess of the maximum shall require the Department's prior written consent.

4.2 Supportive Services Reserve: At Substantial Completion (as defined in Exhibit A attached hereto), the Borrower shall deposit $250,000 into a supportive services reserve (the "Supportive Services Reserve") to be held by the Department and used for supportive services for the tenants of the Project. The Supportive Services Reserve shall be maintained until the earlier of the depletion of all funds or the Maturity Date of the Loan. If any funds remain at the Maturity Date, they shall be applied to reduce the remaining principal balance of the Loan.

4.3 Operating Reserve Account: At the beginning of the Permanent Loan Period, the Borrower shall deposit $150,000 into an operating reserve account to be held by the Department. Monies may be disbursed for Project operating expenses at the direction of the Department. The operating reserve account must be held until the Department determines that for each of 12 consecutive months, (a) Project income equals or exceeds the sum of all Project expenses plus 110% of all debt service obligations and (b) the Project has maintained 90% occupancy. Any funds remaining at such time shall be transferred to the Reserve for Replacements.

4.4 Construction Contingency Fund: A construction contingency fund in the amount of $384,913 will be reserved from Project proceeds in accordance with the budget approved by the Department and may be used, at the Department's discretion, to pay unanticipated costs of construction, to fund change orders approved by the Department during construction and to reimburse the Borrower at final closing of the Loan ("Final Closing") for approved costs not previously paid with Project proceeds. If the contingency fund is not used to reimburse the Borrower, the remaining funds shall be applied first to pay any unpaid portion of a deferred developer fee, and second, to the Reserve for Replacements.

4.5 Escrow Fund: Beginning with the Permanent Loan Period, the Borrower shall make monthly deposits for taxes, payments in lieu of taxes and special assessments, sewer and water rates and other governmental or municipal impositions, ground rent, if any, and insurance premiums, in order to accumulate with the Department sufficient funds to pay such impositions and premiums one month prior to their due date. The Department shall waive this requirement to the extent such escrow payments actually are collected by a superior lienholder.

5. SECURITY

5.1 Deed of Trust: The Borrower shall execute a Leasehold Deed of Trust, Security Agreement and Assignment of Rents securing the Loan (the "Deed of Trust"), which will constitute a valid first lien on the leasehold interest in the real property on which the Project is located (the "Property").

5.2 Other Security: (a) The Borrower shall execute a pledge of depository accounts.

(b) The Borrower shall authorize the Department to file one or more financing statements with respect to the property securing the Loan.

6. COMPLETION ASSURANCES AND OTHER REQUIREMENTS

6.1 Assurance of Completion: The Borrower or Borrower's general contractor must provide payment and performance bonds naming the Department as obligee, each in the amount of 100% of the construction contract price, which shall be convertible at Final Closing of the Loan to a latent defect bond equal to 2.5% of the construction contract price as amended by change orders.

6.2 Guaranty of Completion: Pennrose GP, LLC and Doracon Development, LLC shall each execute a guaranty of completion of the Project.

6.3 Local Support Letter: The Department shall receive a certified copy of a local resolution, adopted by the Baltimore City Board of Estimates and approved by the Mayor of Baltimore City authorizing the application for the Loan and designating the individual, agency or department responsible for coordinating with the Department in processing and administering the Loan.

6.4 Local Contribution:

In addition to the loan referenced in Section 2.2 above, the Department shall receive satisfactory evidence that Baltimore City has made or will make, at or before Closing, a local contribution to the Project from non-State sources in the form of the land on which the Project is located, together with any existing improvements, and any necessary off-site improvements or funds equal to the proportion of the acquisition cost of the property attributable to the land. It is expected that the land will be provided in the form of a 99-year ground lease with HABC as landlord and the Borrower as tenant, which lease shall be in a form satisfactory to the Department.

6.5 Other Financing:

(a) All other loans and grants described in Section 2.2 above shall be closed on or before Initial Closing.

(b) The Project shall receive no capital funding for the Project, other than the Loan, from any State appropriation funded programs.

6.6 Project Income:

(a) All net income received by the Project during the Construction Loan Period, if any, shall be held in trust by the Borrower for the benefit of the Project and used subject to a regulatory agreement to be executed by the Borrower.

(b) The Borrower shall charge rents or provide subsidies from its own funds or other non-

Department sources (except as permitted under Section 6.15 below) so that total Project income will be sufficient to pay all Project operating costs, including insurance premiums and any taxes imposed on the Project, and to make monthly deposits into the Reserve for Replacements pursuant to Section 4.1 above.

6.7 Rental Assistance: (a) No more than 20% of the tenants residing in the Project may receive rental assistance payments from rental assistance programs operating by the Department.

(b) The Department shall receive a copy of an agreement between HUD and HABC to provide rental assistance for 77 households of the Project in the form of Section 8 Project-based vouchers. The Agreement shall have a term of 10 years after which it shall be renewable on an annual basis.

6.8 Environmental Assessment: The Borrower shall undertake a Phase I assessment of the Project in accordance with the requirements of Section 7 of Exhibit A.

6.9 Equal Opportunity Conference: In order to assure compliance with the standard non-discrimination requirements set forth in Section 10.2 of Exhibit A, the Borrower shall

(a) attend an equal employment opportunity and preconstruction conference with the general contractor conducted by the Department prior to execution of any construction contracts, and

(b) if the Project is a rehabilitation project which requires moving of existing tenants, comply with the Department's relocation policy.

6.10 Title and Survey: Borrower shall deliver title insurance complying with the standard terms and conditions set forth on Exhibit A and a survey complying with the standard terms and conditions set forth on Exhibit A.

6.11 Cost Certification: Cost certification by a certified public accountant acceptable to the Department shall be required upon completion of construction.

6.12 Tenant Services. The Borrower will provide tenant services for the residents of the Project in accordance with a Tenant Services Plan approved by the Department.

6.13 Tenant Contributed Services. The Borrower shall provide a plan acceptable to the Department for households residing in the Project to contribute services and maintenance to enhance and maintain either the Project or the community in which the Project is located.

6.14 Special Conditions: The Department must receive and approve the following items prior to Closing:

(a) Viability/Commitment Submission Package;

(b) Board of Public Works approval; and

(c) Final underwriting and construction review and approval.

6.15 Housing for Individuals with Disabilities or Special Needs. The Borrower shall designate

eight units for occupancy by households that (i) have at least one member who is disabled or has special needs and (ii) are otherwise eligible under Section 3.7 above ("Units for Individuals with Disabilities"). The Borrower agrees to affirmatively market the Units for Individuals with Disabilities solely to such households until the earlier of (a) 60 days following the leasing of 80% of all other units in the Project or (b) until all eight Units for Individuals with Disabilities are rented to households with disabilities or special needs. Following initial lease-up, Borrower agrees to maintain a waiting list of income-eligible households with disabilities or special needs. If at any time any Unit for Individuals with Disabilities becomes vacant, and if fewer than eight of the Project's units are occupied by households with disabilities or special needs, the Borrower agrees to give priority for occupancy of the Unit for Individuals with Disabilities to the households with disabilities or special needs on the waiting list. If no eligible tenant is available for a vacant Unit for Individuals with Disabilities, such unit shall be held vacant until the earlier of (a) 60 days from the first day of vacancy, or (b) the date an eligible tenant with disabilities or special needs rents such unit.

7. FEES

7.1 Financing Fee. At Initial Closing, the Borrower shall pay the Department 0.5% of the Loan amount as a financing fee.

7.2 Closing Fee. The cost to the Borrower for the Department's closing services is $20,000. This closing fee shall be paid at Initial Closing.

8. EXHIBITS

The following Exhibits attached hereto are an integral part of this Commitment and are incorporated herein by reference:

Exhibit A	--	Standard Terms and Conditions
Exhibit B	--	Closing Checklist
Exhibit C	--	Project Income Limits
Exhibit D	--	Financial Analysis (including final development budget and operating Proforma)

9. ACCEPTANCE AND EXPIRATION

9.1 If the terms and conditions of this Commitment are acceptable to you, please sign and return the enclosed five copies to the Department by no later than June 30, 2008. Your acceptance shall be effective upon the Department's receipt of the five signed copies, otherwise this Commitment shall expire.

9.2 All preclosing documents must be provided and other conditions of closing must be met within 180 calendar days of the date hereof or the Department, in its sole discretion, may terminate this Commitment.

9.3 Notwithstanding any other provision of this Commitment, if the Initial Closing does not occur within one year of the date hereof, this Commitment shall terminate, unless the Department, in its sole discretion, chooses to extend this Commitment by giving written notice of such extension to the Borrower.

We are pleased to extend this Commitment and look forward to working with you.

Sincerely,

Patricia Rynn Sylvester, Director
Multifamily Housing Programs

Approved for form and
legal sufficiency

Assistant Attorney General

Accepted this 30th day of June, 2008

ORCHARD RIDGE RENTAL III, LLC

By: Pennrose GP, LLC,
its Managing Member

By:
Name: W. Patrick Wagner
Title: Senior Vice President

EXECUTION COPY

LOAN AGREEMENT

THIS LOAN AGREEMENT (this "Agreement") is made this 19th day of December, 2008, by and between ORCHARD RIDGE RENTAL III, LLC, a Maryland limited liability company (the "Borrower"), and the MAYOR AND CITY COUNCIL OF BALTIMORE, acting by and through the Department of Housing and Community Development (the "Lender").

RECITALS

1. The Borrower has leasehold title to real property located in the City of Baltimore, State of Maryland, as more particularly described in Exhibit A attached hereto (the "Site") on which the Borrower will construct 77 affordable rental units (each a "Unit" and collectively, the "Improvements") for rental to income-eligible households. The Improvements shall be made in accordance with plans and specifications prepared by the Borrower's architect, such plans and specifications shall be approved by the Lender prior to commencement of construction. The word "rehabilitate," or any variations, as used in this Agreement shall include construction and reconstruction activities.

2. The Lender shall make a loan from its HOME Investment Partnership Program (the "HOME Program") of TWO MILLION TWO HUNDRED FIFTY THOUSAND Dollars ($2,250,000.00) (the "Loan") to the Borrower. The Loan shall be expended for costs as are identified in the draw schedule approved by the Lender and attached hereto as Exhibit B (the "Draw Schedule") for the Improvements and for certain site improvements (the "Site Improvements," and together with the Improvements, the "Project") as are identified in the Draw Schedule and in accordance with the time schedule attached hereto as Exhibit C (the "Project Time Schedule") and the project budget attached hereto as Exhibit D (the "Budget").

3. The Borrower shall finance the rehabilitation of the Project in the following manner:

i.	Loan of Partnership Rental Housing Program Funds (the "PRHP Loan")	$6,545,000
ii.	The Loan	$2,250,000
iii.	Proceeds from the syndication of tax credits (the "Syndication Proceeds")	$3,996,000

4. The Loan shall be evidenced by a Deed of Trust Note executed by the Borrower (the "Note") and secured by a second-lien leasehold deed of trust on the Project (the "Deed of Trust"). The commitment letter signed by the City, accepted by the Borrower, and dated December __, 2008 (the "Commitment Letter"), the Note, the Deed of Trust, and this Agreement shall collectively be referred to as the "Loan Documents." In the event of any conflict between the terms of the Commitment and the Loan Documents, the terms of the Loan Documents shall prevail; however, any additional terms or conditions in the Commitment or in the Loan Documents shall be deemed to be cumulative.

5. The PRHP Loan will be made by the Department of Housing and Community Development of the State of Maryland (the "PRHP Lender"), which shall have a construction term of not more than fifteen (15) months from the date of the closing, and shall be secured by a first-lien leasehold deed of trust (the "PRHP Loan Deed of Trust"). The term of the PRHP Loan shall be no greater than 40 years from the completion of the Project. Any financing or loan documents required by the PRHP Lender to evidence or secure the PRHP Loan shall be referred to as the "PRHP Loan Documents." The PRHP Loan Documents and the Loan Documents shall be referred to as the "Transaction Loan Documents."

6. The Loan shall be disbursed pursuant to the terms of this Agreement, provided the Borrower is not in default under the terms of any of the Transaction Loan Documents.

7. The parties acknowledge that the Loan contemplated hereunder is to be issued pursuant to the HOME Investment Partnerships Act 42 U.S.C. §§ 12701-12839 as may be amended from time to time (the "Act"). The Borrower, during the term of the Loan, must at all times be in compliance with the Act and the corresponding regulations in 24 C.F.R. Part 92, as may be amended from time to time.

NOW, THEREFORE, THIS AGREEMENT WITNESSETH: That for and in consideration of the sum of Fifteen Dollars ($15.00), and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and the mutual obligations of the parties as hereinabove set forth, the parties hereto agree as follows:

Section 1. Recitals. The Recitals are hereby incorporated as a part of this Agreement.

Section 2. Borrower's Representations and Warranties. The Borrower hereby represents and warrants to the Lender on the date of this Agreement and as of the date of each disbursement hereunder, that:

2.1 The Borrower is a limited liability company validly organized, existing, and in good standing under the laws of Maryland, fully qualified to do business in the State of Maryland.

2.2 The Project to be rehabilitated and the use of the Project for its intended purposes will not violate any zoning or other ordinance or law, or any agreement of the Borrower applicable to the Project or its use, that the Plans and Specifications for the Project have been or will be approved by appropriate governmental authorities having jurisdiction, and that necessary building and other permits have been or will be obtained.

2.3 There are no suits or proceedings pending or threatened, whether in law or in equity, to the knowledge of the Borrower, which, if adversely determined, would have a material adverse effect on the financial condition or business of the Borrower and any guarantor.

2.4 All funds drawn pursuant to this Agreement shall be applied only to the payment of the costs of the rehabilitation of the Project.

2.5 The Borrower has provided or shall provide the Lender for its approval a copy of all documents relating to the Project as required by law.

2.6 The Borrower shall at all times be in compliance with the Act and the corresponding regulations in 24 C.F.R. Part 92, as amended from time to time, as set forth in the Commitment Letter.

Section 3. Construction Covenants. The Borrower shall expend Loan proceeds and rehabilitate the Project only in accordance with the following terms and conditions:

3.1 The rehabilitation of the Project shall be performed with diligence and substantially in accordance with the Plans and Specifications and all applicable laws, rules and regulations, free and clear of liens and claims for materials supplied and for labor or services performed in connection with the construction of the Project except for the liens of the PRHP Lender.

3.2 The Borrower shall commence rehabilitation of the Project within ten (10) days after execution of this Agreement and complete the rehabilitation of the Project within fourteen (14) months after the date hereof (the "Construction Loan Period"). The Borrower shall rehabilitate the Project in accordance with the rehabilitation schedule and the Budget.

3.3 No material changes will be made in the Plans and Specifications or other contract documents (a "Change Order") without the prior written approval of the Lender, which approval will not be unreasonably withheld. This requirement is in addition to any other approval or reviewing processes required by the Lender. The Lender reserves the right to approve a Change Order for rehabilitation purposes only and not to approve it for disbursement of funds from the Loan.

3.4 No material, equipment, fixtures or any other part of the Project shall be purchased or installed under any security agreement or other agreement wherein the seller reserves or purports to reserve the right to remove or to repossess any such items or to consider them personal property after their incorporation into the Site Improvements and/or the Improvements, unless authorized by the Lender in writing.

3.5 All work to be performed with the proceeds of the Loan will be certified as to costs and will conform with Davis-Bacon requirements, including the submission of payrolls, certifications and other necessary documents in a timely manner. The Borrower shall furnish the Lender with a certification of cost for the rehabilitation of the Improvements and the Site Improvements not more than forty-five (45) days following the expiration of the Construction Loan Period, unless extended by the Lender.

3.6 The Borrower will permit the Lender and its representatives to enter upon and inspect the Site during business hours after twenty-four (24) hours notice, view the Project and all material to be used in the rehabilitation thereof and to examine the Plans and Specifications which are kept at the rehabilitation site and will cooperate, and cause the contractor, subcontractors, laborers, and materialmen to cooperate, with the Lender and its representatives.

3.7 The Borrower will cause the PRHP Lender, upon request by the Lender, to inform the Lender as to the amount of the PRHP Loan that has been drawn down by the Borrower.

3.8 The Borrower shall not transfer the title and/or beneficial interest to the Site to any person, corporation, partnership or other entity by way of sale of corporate shares, limited partnership interests, master lease or in any other manner without the prior written consent of the Lender or as provided in the Loan Documents; *provided, however,* that the managing member or any non-managing member may transfer their respective interests without the Lender's prior consent to an entity controlled by, or under common control with, Centerline Capital Group.

3.9 The Borrower hereby indemnifies and holds the Lender harmless from and against any and all expenses, costs, claims or loss, including accounting and legal fees, incurred or suffered by the Lender arising under the Loan Documents, or including any action brought by the Borrower against the Lender.

3.10 The Loan may only be used for Eligible Costs as defined in 24 C.F.R. §§ 92.206 to 92.209. The Borrower shall not request disbursement of the Loan until the proceeds are needed for payment of Eligible Costs. The Loan may not be used for Prohibited Activities as defined in 24 C.F.R. § 92.214.

3.11 If the Borrower disburses any Loan proceeds to another entity for the rehabilitation of the Project, it shall enter into a written agreement, in form and substance approved by the Lender, with the rehabilitating entity obligating the rehabilitating entity to comply with the requirements of the Act and the regulations issued at 24 C.F.R. part 92, as amended from time to time.

3.12 The Borrower shall comply with all rental regulatory requirements governing the Units as set forth in the Deed of Trust.

Section 4. Disbursement of the Loan.

4.1 Not Assignable. The Loan is not assignable by the Borrower. For the purposes of the Agreement, the Loan, or any portion thereof, shall remain the property of the Lender, pursuant to the terms of this Agreement; provided, however, that nothing herein contained shall be considered as in any way modifying, affecting or subordinating the obligations heretofore given or to be given by the Borrower as security for the Loan, and the same shall be and remain in full force, tenor, and effect, the Agreement being intended as protection for the proper disbursement of the Loan and to assure its use for the purposes intended by the Lender.

4.2 Disbursement.

(a) The disbursement of proceeds of the Loan shall be made in material accordance with the Draw Schedule, and more particularly described in the Intercreditor Agreement of even date among Lender, the PRHP Lender, and the Borrower (the "Intercreditor Agreement").

(b) Any disbursements made by the PRHP Lender for the establishment of an operating deficit fund, a construction contingency fund, a working capital fund, or any other similar escrow or fund shall be established in accordance with the provisions of the Intercreditor Agreement or the PRHP Loan Documents, as applicable, and unless otherwise provided in the Intercreditor Agreement, such monies shall be held for the benefit of the PRHP Lender and the Lender and shall not be released without the prior consent of the Lender.

4.3 Requisitions.

(a) (i) Disbursement of the Loan by the Lender shall be made on requisitions signed by the Borrower (or other person designated in writing by the Borrower) in material accordance with the Draw Schedule.

(ii) Each requisition shall be prepared and submitted on draw forms approved by the Lender. Any portion of a requisition relating to the rehabilitation of the Project shall be prepared on AIA Forms 702 or 703 or their equivalent and on the form approved by the Lender.

(iii) All requisitions shall be certified by the Borrower and the Borrower's architect and verified by the Lender.

(iv) Each requisition for the Project rehabilitation shall be accompanied with invoices or cancelled checks or bills verifying the requisition loan disbursement amount and a verified list of payments made to subcontractors, suppliers, materialmen, and laborers for work as set forth on the prior requisition, which list shall be accompanied by proof of such payment in a form satisfactory to the Lender.

(v) The Borrower may not request disbursement of any proceeds of the Loan until the proceeds are needed for payment of Eligible Costs.

(b) The Borrower shall rehabilitate the Project and requisitions shall be made substantially in accordance with the Project Time Schedule and the Budget. Requisitions shall be in amounts equal to (i) the total value of classes of the work acceptably completed; plus (ii) the value of material and equipment not incorporated in the work, but delivered to and suitably stored at the site; less (iii) ten percent (10%) retention until fifty percent (50%) complete. The "values" of both (i) and (ii) shall be computed in accordance with the amounts assigned to classes of the work in the "Trade Payment Breakdown."

(c) For projects with a requirement to cost certify construction costs the retention will be released: 40% upon substantial completion of the Project, 25% upon submission of cost certification documents, and the balance returned at completion of cost certification. If a cost certification is not required, retainage will be released: 50% upon substantial completion and 50% upon 100% completion and receipt by the Lender of executed lien waiver and occupancy permits.

(d) Anything to the contrary notwithstanding, the Lender shall not be required or expected to advance funds under the Agreement more frequently than once a month. The Lender shall have twenty (20) days after submission, in proper form of the requisition, within which to fund each requisition.

(e) After completion of all Improvements, any undisbursed proceeds of the Loan shall be retained by the Lender and used to repay the principal balance of the Loan.

4.4 Change Orders. To receive payment for any work performed pursuant to a Change Order, the Lender must have first approved the Change Order before the work is initiated. Failure to do so shall preclude the work from being cost certifiable for inclusion in the Loan; however, the Lender's approval of a Change Order will not necessarily result in an increase of the Loan.

4.5 Construction Contingency Reserve. Funds in the approximate amount of $486,315 shall be reserved from proceeds of the PRHP Loan and/or the Syndication Proceeds for construction contingencies and may be used, subject to the approval of the PRHP Lender and the Lender, to pay unanticipated costs for construction and project betterments; to fund change orders approved by the PRHP Lender and the Lender during construction; to reimburse the Borrower for approved change orders not previously paid with Loan proceeds; to reduce the balance of the Loan or the PRHP Loan as approved by the PRHP Lender and the Lender; and/or to be transferred to an operating reserve or replacement reserve as approved by the PRHP Lender and the Lender.

4.6 Option of Direct Payment. If any event of default shall have occurred and not be cured under the Loan Documents, the Lender may make such payments to one or more of the general contractor, construction manager or other party providing goods or services.

4.7 Liability of the Lender. The Lender shall in no event be responsible or liable to any entity other than the Borrower for the disbursement of, or failure to disburse, the Loan or any part thereof, and none of the parties set forth in Section 4.6 above shall have any right to claim against the Lender under the Agreement.

4.8 Other Liens. The Borrower hereby covenants with the Lender to keep the Project free of all liens, except the liens of the PRHP Lender, the Deed of Trust, and taxes not in arrears, unless otherwise approved by the Lender in writing.

Section 5. Conditions Precedent to Advances.

5.1 All Advances. The following shall be conditions precedent to any advance hereunder:

(a) All work covered in the requisition shall be completed to the satisfaction of the Lender.

(b) The Borrower shall be in compliance with each of the regulatory requirements set forth in the Deed of Trust or other Loan Documents.

(c) The Borrower shall not be in default under any other of the terms and provisions of the Transaction Loan Documents.

(d) The Borrower shall certify that it has made payment from proceeds of prior requisitions, and that it will make timely payments from the proceeds of the requisition then due it, to its attorneys, architects, engineers, contractors, subcontractors, and suppliers and others in accordance with its contractual arrangements with them.

(e) The Borrower agrees to comply with and be bound by the applicable requirements of the Lender under Article 5, Section 28 of the Baltimore City Code concerning non-discrimination and minority business utilization.

(f) At the request of the Lender, the Borrower shall provide copies of all executed subcontracts between the contractor and the subcontractor and the list of suppliers and materialmen.

(g) The Borrower has paid the reasonable fees of the Lender's counsel and its inspector of the Project within thirty (30) days of the receipt of bill therefore, which bills may be issued from time to time as work progresses.

5.2 First Advance. Prior to authorizing the first advance under the Loan, the Lender shall have received from the Borrower a requisition meeting the requirements of Section 4.2 hereof and the following requirements, in form and content reasonably satisfactory to the Lender and its counsel, and in selection of the provider of a particular service, reasonably satisfactory to the Lender and its counsel:

(a) A lender's title insurance policy insuring the Lender ("Lender's Title Policy") in form and substance satisfactory to the Lender, substantially in accordance with Section 1 of Exhibit A to the Commitment Letter.

(b) A current survey of the Site showing the lot lines and set-back lines and the location of all existing easements, rights of way, improvements on, or encroachments upon, over, to or from the Site and the location of all items listed in Schedule B Part II of the Lender's Title Policy, and as may be otherwise required by Section 1 of Exhibit A to the Commitment Letter. The survey shall be certified to the Lender and the title company by a registered surveyor. The survey shall be updated from time to time as required by the Lender.

(c) Copies of all contract documents (collectively the "Construction Documents"), including:

(i) the construction contract on AIA document A111, 1997 edition, with the Lender's supplemental conditions evidencing compliance with the Act;

(ii) the owner-architect agreement or ownership agreement or other comparable agreement with the Lender's supplemental conditions as set forth in the Commitment Letter;

(iii) drawings, plans and specifications or scope of work for the Project;

(iv) cost estimates prepared on forms satisfactory to the Lender;

(v) a projected draw schedule;

(vi) a construction progress schedule on the form provided by the Lender which shows the sequencing and project completion dates of major categories of work;

(vii) a list of subcontractors participating on the Project that comply with the Mayor's Executive Order dated September 14, 2000, and Article 5, Section 28 of the Baltimore City Code, regarding Minority and Women's Business Programs; and

(viii) all governmental or quasi-governmental permits, approvals or consents required under applicable law or otherwise for the Borrower to be entitled to construct, manage and/or maintain the Project, including without limitation, grading permits, wetlands permits, utility connection permits, permits issued by or through the U.S. Army Corps of Engineers and permits required under Sections 5-101 et seq. of the Natural Resources Article of the Annotated Code of Maryland and any regulations promulgated thereunder.

(d) All Construction Documents shall be modified to comply with the requirements set forth in any construction evaluation report prepared by the Lender or any inspector retained by the Lender.

(e) Borrower shall have satisfied each condition precedent to the Closing of the Loan contained in the Commitment Letter.

(f) The representations and warranties of Borrower contained in Section 2 hereof and otherwise made by or on behalf of Borrower in writing for the Loan shall be true and correct on and as of the date of Closing and the first disbursement.

(g) The Deed of Trust and related financing statements shall have been duly recorded and filed at no cost to the Lender according to the Real Property Article and Title 9 of the Commercial Law Article, Annotated Code of Maryland, as amended.

(h) Execution of the Loan Documents and the PRHP Loan Documents, and evidence of recordation of the Transaction Loan Documents.

(i) The Lender shall have received:

(i) the original policies of insurance or binders satisfactory to the Lender satisfying the Insurance Requirements contained in Section 4 of Exhibit A to the Commitment, accompanied by evidence of the payment of premiums therefor;

(ii) copies of all authorizations or approvals, if any, required from any legal authority which are prerequisites to the rehabilitation or construction of the Project, together with an opinion of counsel of Borrower or a certification from the legal authority issuing the building permits that the Project will conform to existing zoning laws and specified variances, if any;

(iii) assurances satisfactory to the Lender of the availability of any and all funds required for completion of the Project in excess of the proceeds of the Loan, including payment to the Lender of such sums as may be required by the Lender;

(iv) an opinion of Borrower's counsel to the effect that Borrower is duly organized and validly existing and in good standing under the laws of the state of its organization, authorized to do business in the State of Maryland, with full power to own the Project and to execute, deliver and perform its obligations under this Agreement; that the Loan Documents executed and delivered for the Loan are valid and legally binding and enforceable against Borrower in accordance with their respective terms, subject to laws pertaining to bankruptcy and insolvency; and opining as to such other matters as may be required by the Lender;

(v) copies of the Architect's and Inspecting Architect's Errors and Omissions Insurance policies in an amount acceptable to the Lender, and endorsed so that the policies will not be terminated, expired or cancelled without 30 days advance written notice to the Lender; and

(vi) assurance of completion of rehabilitation or construction by the General Contractor in the form of payment and performance bonds, each in the amount of 100% of the Construction Contract satisfactory in all respects to the Lender as obligee or in the alternative, at the discretion of the Lender, a completion assurance agreement and an unconditional irrevocable letter of credit acceptable in all respects to the Lender in an amount equal to not less than 25% of the total sum of the Construction Contract to assure performance and payment or other assurance acceptable to the Lender.

5.3 Conditions to Subsequent Disbursements. The following requirements shall be satisfied prior to any subsequent disbursement of the Loan:

(a) A field progress meeting shall be held on a regularly scheduled monthly basis. The Borrower, its general contractor, the Lender's inspector and any other retained representative of the Lender shall meet and agree upon the percentage of work completed and in place, and the amount of any stored and insured materials on-site and off-site. The Borrower shall be responsible for providing reasonable written notice to all parties of the time and date of the meeting.

(b) The Lender shall have received from the Borrower a requisition meeting the requirements of Section 4.2 hereof for work completed the previous month;

(c) No event of default shall exist under the Loan Documents or PRHP Loan Documents;

(d) The Project can be completed in the reasonable determination of the Lender, substantially in accordance with the Construction Documents at or prior to the expiration of the Construction Loan Period. If the Lender determines that the Project cannot be completed in a timely manner or in accordance with the Construction Documents, the Borrower shall spend such additional amounts on the rehabilitation of the Project or take such other action as requested by the Lender in order to remedy the failure;

(e) At the Lender's request, the title company shall have issued a title bring-to-date showing that title to the Site is free and clear of liens (except those permitted in writing by the Lender) to the date of such advance; and

(f) Borrower, if requested by the Lender, shall provide lien waivers or releases from the contractor and each subcontractor for items covered by previous disbursements.

5.4 Upon the occurrence of any event of default by the Borrower under the PRHP Loan Documents, the PRHP Lender may, but shall not be obligated to, perform the work described in this Agreement and shall be entitled to advances, provided it satisfies the funding requirements of this Agreement.

Section 6. Default.

6.1 It shall be an event of default (each, an "Event of Default") under this Agreement if:

(a) Any representation or warranty made by the Borrower in this Agreement is incorrect in any material respect; or

(b) Work on the rehabilitation of the Project stops for a period of thirty (30) days (except for stoppages caused by strikes, lockouts, labor disputes, fire, unusual delay in transportation, weather or acts of God or any other causes beyond the Borrower's reasonable control) unless authorized by the Lender, it being the purpose and intent of this provision that in the event of the occurrence of any such unavoidable delay, the time for performance of the obligations under this Agreement shall be extended for the period of such unavoidable delay; or

(c) The Borrower defaults in the performance of any covenant agreement contained in this Agreement or the remaining Loan Documents or the PRHP Loan Documents, if the default has not been cured within any applicable grace period; or

(d) The Borrower makes any assignment for the benefit of creditors, is adjudicated as bankrupt, or a receiver is appointed for its assets, or if it ceases to be in good standing in Maryland; or

(e) The Borrower assigns or in any other manner transfers the Site; or

(f) Any additional superior, secondary, subordinate or wraparound financing and secured by the Site is entered into by the Borrower during the term of the Loan without the prior written consent of the Lender to the terms of the financing in its entirety.

6.2 The Borrower shall have the same notice and cure provisions for any default under this Agreement as are provided in the Note and Deed of Trust.

Section 7. Remedies. Lender shall have the benefit of all rights and remedies to which it is entitled upon the event of default, both at law and in equity, including without limitations those set forth in the Note and the Deed of Trust.

Section 8. Lender Covenants. The Lender hereby agrees to make the Loan to the Borrower for use in the construction of the Project.

Section 9. Approval of Plans. Neither the approval by the Lender of any plans or specifications, nor any subsequent inspections or approvals of the rehabilitation of the Project shall constitute a warranty or representation by the Lender or any of its agents, representatives, counsel, or designees, as to the technical sufficiency, or adequacy or safety of the structures or any of their component parts, including without limitation, their fixtures, equipment or furnishings, the subsoil conditions involved in the Project or the Property, or any other physical condition or feature pertaining to the Project. All acts, including any failure to act, relating to the Project by any agent, counsel, representative or designee of the Lender are performed solely for the benefit of the Lender to assure repayment of the Loan and are not for the benefit of the Borrower or for the benefit of any other person.

Section 10. Lender Assignment. The Lender shall have the right to assign, sell or obtain a participation interest in the Loan at any time.

Section 11. Regulated Rents.

11.1 Regulated Units. Rent requirements for the HOME Units of the Project during the Period of Affordability (as defined in the Deed of Trust) must comply with the affordability requirements set forth in 24 CFR §92.252, as more particularly set forth in Exhibit B of the Commitment Letter, which provides that:

(a) for Low Rent Units (defined below), the HOME Project rents shall not exceed (i) 30% of the tenant Family's adjusted income, less an allowance for utilities and services to be paid by the tenant; or (ii) 30% of the gross income of a family whose income equals 50% of the area median income, as determined by HUD, with adjustments for family size, less an allowance for utilities and services to be paid by the tenant.

(b) for High Rent Units (defined below), the rents shall not exceed the lesser of: (i) the fair market rents for the area as established by HUD from time to time, less the amount the tenant pays for monthly utilities and services; or (ii) an amount which does not exceed 30% of the adjusted income of a family whose gross income equals 65% of the median income for the area, adjusted for the number of bedrooms in the unit, and less an allowance for the utilities and services paid by the tenant, which incomes are set forth in Exhibits C of the Deed of Trust and will be updated from time to time.

11.2 Compliance with Criteria. During the Period of Affordability, the HOME Units of the Project must also comply with the following criteria set forth in the Deed of Trust.

(i) Sixteen (16) units (the "Low Rent Units") must be rented to families whose incomes do not exceed 50% of the median income for the area.

(ii) Sixty-one (61) units (the "High Rent Units") must be rented to families whose incomes do not exceed 60% of the median income for the area.

Section 12. Syndications.

12.1 Tax Credit Syndication. The Project has been awarded Low Income Housing Tax Credits under Section 42 of the Internal Revenue Code (the "LIHTC Code"), as allocated through the State. The rent requirements for the HOME Units of the Project during the Period of Affordability shall be at least those set forth in Section 11 above; however, if more restrictive requirements are imposed by the State under its loan documents (or by any other Creditor under that Creditor's Loan Documents) or pursuant to the extended use covenant to be recorded against the Project by the State or the rent restrictions contained in the LIHTC Code, then the Borrower shall comply with the most restrictive requirement.

12.2 Syndication Proceeds. The Borrower shall use its best efforts to sell approximately 99.98% ownership interests in the Borrower for the Syndication Proceeds to investors. An operating agreement shall be entered into either before or on even date herewith (the "Operating Agreement"), and the full pay in of the investor's contribution shall be completed in accordance with the Draw Schedule (subject, however, to the conditions in the Operating Agreement). "Net Syndication Proceeds" (equal to the difference between the total gross proceeds of syndication and costs of syndication approved by the Lender) shall be distributed in accordance with the Operating Agreement.

Section 13. Miscellaneous.

13.1 Notices. All notices, requests and demands upon the respective parties hereto shall be in writing and shall be sent by hand delivery or express messenger or registered or certified mail, return receipt requested to the respective addresses as follows or to such other address as the respective party may designate, by written notice, duly mailed to the others:

If to the Lender:
Mayor and City Council of Baltimore, acting by and through
the Department of Housing and Community Development
417 East Fayette Street, 3rd Floor
Baltimore, Maryland 21202
Attn: Director, Project Finance

With a copy to:
Baltimore City, Department of Law
100 N. Holliday Street
City Hall
Room 100
Baltimore, Maryland 21202
Attn.: Chief Solicitor, Corporate / Real Estate

If to the Borrower:
Orchard Ridge Rental III, LLC
c/o Pennrose GP, LLC
230 Wyoming Avenue
Kingston, Pennsylvania 18704
Attn: Mark Dambly

With a copy to:
Ballard Spahr Andrews & Ingersoll, LLP
300 E. Lombard Street, 18th Floor
Baltimore, MD 21202
Attn: Jon M. Laria, Esq.

In the event of a non-monetary default, Lender shall use commercially reasonable efforts to give the Investment Member (as defined in the Deed of Trust) a copy of any written notice to the Promisor in accordance with Section 15(j) of the Deed of Trust.

13.2 Drugs in the Workplace. The Borrower, its Contractors, and its management agent shall comply with the Lender's policy against drugs in the workplace.

13.3 Minority Business Enterprise Requirements. By acceptance of this Agreement, the Borrower accepts the conditions of the City's Minority and Women's Business Program (the "Plan") and agrees to conform and complete in a timely manner whatever forms and reports may be required by the Minority and Women's Business Opportunity Office. Borrower understands that the Lender will not

advance construction draws until Borrower provides the necessary documentation evidencing compliance with the Minority and Women's Business Program. Borrower agrees it will make good faith efforts to achieve the Minority Business Enterprise (MBE) and Women's Business Enterprise (WBE) participation goals established for the Project by the Minority and Women's Business Opportunity Office. Borrower further agrees to be responsible for monitoring the compliance of its general contractor and subcontractors with this requirement. If Borrower is unable to meet the MBE and WBE participation goals, Borrower will provide evidence that it made a good faith effort to achieve the goals. Borrower hereby acknowledges that it has received a copy of the Plan and all explanatory material, and agrees to comply with it.

13.4 Successors. This Agreement shall be binding upon and inure to the benefit of the Borrower and the Lender and their respective successors and assigns.

13.5 Conflict of Interest. No member, official or employee of the Lender shall have any personal interest, direct or indirect, in this Agreement, nor shall any such member, official or employee participate in any decision relating to this Agreement which affects his personal interests or the interests of any corporation, partnership, or association in which he is, directly or indirectly, interested.

13.6 The Lender Not a Joint Venturer. The Lender, by making this Agreement or by any action pursuant hereto, will not be deemed a partner or joint venturer with the Borrower, and Borrower agrees to hold the Lender harmless for any damages and expenses resulting from such a construction of the relationship of the parties or any assertion thereof.

13.7 Applicable Law. This Agreement and the Loan Documents shall be governed by and construed under the laws of the State of Maryland. The Borrower consents to be sued in any court in the State of Maryland having jurisdiction in any action to enforce the provisions of this Agreement and the remaining Loan Documents.

13.8 Time of the Essence. Time is of the essence of all obligations of the Borrower under this Agreement.

13.9 Severability. If any term, covenant, or condition of this Agreement shall be held to be invalid, illegal, or unenforceable in any respect, this Agreement shall be construed without such provisions to the fullest extent possible, and shall, at the option of the City, remain in full force and effect.

13.10 Agreement to Survive Closing. Every obligation of the Borrower hereunder shall be a continuing obligation and shall not cease until the entire indebtedness secured by the Deed of Trust shall have been paid in full and all other obligations of the Borrower under the Deed of Trust and the other remaining Loan Documents have been fully satisfied and discharged, except that the resale restrictions required under the Act shall be a continuing obligation as required under the Act.

13.11 Modification and Assignment. The terms of this Agreement may not be waived, modified or changed in any way by implication, correspondence or otherwise unless such waiver, modification or change is made in the form of a written amendment to this Agreement signed by both parties. The Borrower shall not assign or transfer this Agreement without the prior written consent of the Lender. Any attempted assignment or transfer shall be void.

13.12 Captions and Headings. The captions and headings contained in this Agreement are included herein for convenience of reference only and shall not be considered a part hereof and are not in any way intended to limit or enlarge the terms hereof.

13.13 Waiver. A waiver by the Lender of any of the terms and conditions contained herein shall be in writing and shall not constitute a continuing waiver of said terms and conditions.

13.14 Right to Audit. The Borrower shall keep a legible set of books of account in accordance with generally accepted accounting principals and the books of the Borrower shall be open for the inspection by the Lender or its auditors to assure the Lender that funds are being advanced in the proper manner for work performed.

13.15 Exhibits. Each Exhibit referenced in this Agreement is hereby incorporated within this Agreement.

13.16 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

Attachments:

Exhibit A - Legal Description
Exhibit B - Project Draw Schedule
Exhibit C - Project Time Schedule
Exhibit D - Budget

{*SIGNATURES ON FOLLOWING PAGE*}

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IN WITNESS WHEREOF, the parties hereto have caused the Agreement to be executed and delivered as of the day and year first above written.

ATTEST:

BORROWER:

ORCHARD RIDGE RENTAL III, LLC

By: Orchard Ridge Rental III Managing Member, LLC,
a Maryland limited liability company,
its Managing Member

By: Pennrose GP, LLC,
a Pennsylvania limited liability company,
its Managing Member

By:_____ (SEAL)
W. Patrick Wagner
Authorized Officer

ATTEST:

LENDER:

MAYOR AND CITY COUNCIL OF BALTIMORE, acting by and through the Department of Housing and Community Development

By:_____ (SEAL)
Paul T. Graziano, Commissioner
Department of Housing and Community Development

Approved for form and legal sufficiency this 3rd day of December, 2008.

Chief Solicitor

Signature page of Loan Agreement

Attach proof/copies of all funding and financing sources obtained by the Developer from funding entities (award letters, etc.)

Orchard Ridge IV

EXECUTION COPY

SERIES RESOLUTION

PROVIDING FOR THE ISSUANCE AND SALE OF

$10,790,000 PRINCIPAL AMOUNT OF

HOUSING REVENUE BONDS

SERIES 2013 D

COMMUNITY DEVELOPMENT ADMINISTRATION
MARYLAND DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

Adopted as of September 1, 2013

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EXHIBIT A FORM OF SERIES 2013 D BOND

WHEREAS, the Community Development Administration (the "Administration"), a unit of the Division of Development Finance of the Department of Housing and Community Development, a principal department of the State of Maryland (the "State"), anticipates making, purchasing or otherwise financing Loans for the construction, acquisition or rehabilitation of Developments (the "Developments") for the purposes of increasing the supply of adequate, safe and sanitary housing for families or persons of limited incomes and promoting sound community development in the State, all under the provisions of Sections 4-101 through 4-255 of the Housing and Community Development Article of the Annotated Code of Maryland, as amended (the "Act"); and

WHEREAS, as of November 1, 1996, the Administration adopted a Resolution Providing for the Issuance of Housing Revenue Bonds, which was amended and restated as of July 1, 2006 (the "Bond Resolution"); and

WHEREAS, in order to obtain funds with which to make, purchase or otherwise finance Loans, including the purchase of mortgage-backed securities, it is deemed necessary and advisable to issue a Series of Housing Revenue Bonds of the Administration as hereinafter provided;

NOW, THEREFORE, BE IT RESOLVED AND DETERMINED BY THE DIRECTOR OF THE ADMINISTRATION AND APPROVED BY THE SECRETARY OF HOUSING AND COMMUNITY DEVELOPMENT, AS FOLLOWS:

ARTICLE I

DEFINITIONS

Section 1.01. Definitions. (a) Except as provided in subsection (b) hereof or as defined elsewhere herein, all defined terms contained in the Bond Resolution when used in this Resolution shall have the same meanings as set forth in the Bond Resolution.

(b) As used in this Resolution, unless the context shall otherwise require, the following terms shall have the following respective meanings:

"*Bond Resolution*" shall have the same meaning as set forth in the recitals of this Resolution.

"*Borrower*" means, individually and collectively, as the case may be:

(1) Orchard Ridge Rental IV, LLC, a Maryland limited liability company, together with its permitted successors and assigns;

(2) Riverwoods St. Michaels LLC, a Maryland limited liability company, together with its permitted successors and assigns; and

(3) Such other entity, as determined by the Administration in its sole discretion, to which an additional Loan may be made from the proceeds of the Series 2013 D Bonds,

including, if so determined by the Administration, Spring Valley Workforce Housing, LP, a Maryland limited partnership, together with its permitted successors and assigns.

"*Code*" means the Internal Revenue Code of 1986, as amended, and applicable regulations.

"*Declaration*" means the Declaration of Restrictive Covenants and Regulatory Agreement containing in substance, among other things, the covenants and agreements described in subsections (a) through (c) of Section 4.02 hereof, in form approved in writing by Qualified Bond Counsel, entered into by the Borrower with respect to the Loan, which may be contained in a single document or incorporated into another document.

"*Direct-Pay Letters of Credit*" means the Orchard Ridge Direct-Pay Letter of Credit and the Riverwoods at St. Michaels Direct-Pay Letter of Credit.

"*FHA*" means the Federal Housing Administration, or any successor thereto.

"*40-60 Test*" means 40% or more of the residential units in each Development are to be occupied by individuals whose income is 60% or less of area median gross income (as that term is defined in Section 142(d)(2)(B) of the Code).

"*Guaranteed Security*" means any security or other evidence of indebtedness (1) that is issued by an entity approved by a Guarantor and that is acquired by the Administration for purposes of financing a Loan and (2) the timely payment of principal of and interest on which is insured or guaranteed by a Guarantor.

"*Guarantor*" means (1) Government National Mortgage Association; (2) or any other Credit Enhancer, to the extent that the rating on the Bonds will not be reduced by any rating agency then rating the Bonds to a level below the rating applicable to the Bonds immediately prior to the time of purchase of the Guaranteed Security insured or guaranteed by such Guarantor.

"*Individuals of Applicable Income*" means individuals having an income not exceeding the area median gross income as determined by the Secretary of the United States Department of the Treasury in a manner consistent with determinations of lower income families and area median gross income under Section 8 (or if such program is terminated, under such program as in effect immediately before such termination), except that the percentage of area median gross income (as that term is defined in Section 142(d)(2)(B) of the Code) which qualifies under the 20-50 Test shall be 50% and the percentage which qualifies under the 40-60 Test shall be 60%, subject, in either case, to adjustments for family size.

"*Interest Payment Dates*" means the interest payment dates for the Series 2013 D Bonds set forth in Section 2.02 of this Resolution.

"*LOC Bonds*" means, collectively, the Orchard Ridge LOC Bonds and the Riverwoods at St. Michaels LOC Bonds.

"*Orchard Ridge Direct-Pay Letter of Credit*" means the irrevocable, direct-pay letter of credit issued by Capital One, National Association (draws under which will be supported by an irrevocable standby letter of credit issued by the Federal Home Loan Bank of Atlanta) and delivered by Orchard Ridge Rental IV, LLC to the Trustee on the Delivery Date for the credit of the Revenue Fund, permitting draws thereunder for the payment of principal of and interest on the Orchard Ridge LOC Bonds, when due, as described in Section 3.05 hereof.

"*Orchard Ridge LOC Bonds*" means the Series 2013 D Bonds maturing on September 1, 2015 in the principal amount of $5,650,000.

"*Orchard Ridge Standby Letter of Credit*" means the irrevocable standby letter of credit issued by Capital One, National Association (draws under which will be supported by an irrevocable standby letter of credit issued by the Federal Home Loan Bank of Atlanta) and delivered by Orchard Ridge Rental IV, LLC to the Trustee on the Delivery Date for the credit of the Series 2013 D Negative Arbitrage Account, as described in Section 3.04 hereof.

"*Permitted Investments*" includes repurchase agreements with any financial institution or other entity with debt rated at least equal to (a) the Rating Agency's existing rating on the Bonds (other than Subordinate Bonds) or (b) the comparable rating of any other nationally recognized rating agency which will not adversely affect the rating on the Bonds then in effect, which agreement is secured by any one or more of the securities described in clauses 1, 2 or 3 of the definition of Permitted Investments in the Bond Resolution, which securities shall at all times (x) have a market value of not less than the full amount invested pursuant to the repurchase agreement and (y) be delivered to another financial institution or entity, as custodian.

"*Qualified Bond Counsel*" means a bond counsel of nationally recognized standing in the field of law relating to municipal finance, acceptable to the Administration and the Trustee.

"*Qualified Project Period*" means a period beginning on the later of the Issue Date or the first day on which 10 percent of the residential units in each Development are occupied and ending on the latest of (a) the date which is 15 years after the date on which 50 percent of the residential units in such Development are occupied, (b) the first day on which no tax-exempt private activity bond issued with respect to the Development is outstanding, or (c) the date on which any assistance provided with respect to such Development under Section 8 terminates.

"*Resolution*" means this Series Resolution of the Administration authorizing the issuance and sale of the Series 2013 D Bonds.

"*Riverwoods at St. Michaels Direct-Pay Letter of Credit*" means the irrevocable, direct-pay letter of credit issued by Capital One, National Association (draws under which will be supported by an irrevocable standby letter of credit issued by the Federal Home Loan Bank of Atlanta) and delivered by Riverwoods St. Michaels LLC to the Trustee on the Delivery Date for the credit of the Revenue Fund, permitting draws thereunder for the payment of principal of and interest on the Riverwoods at St. Michaels LOC Bonds, when due, as described in Section 3.05 hereof.

"*Riverwoods at St. Michaels LOC Bonds*" means the Series 2013 D Bonds maturing on September 1, 2015 in the principal amount of $5,650,000.

"*Riverwoods at St. Michaels Standby Letter of Credit*" means the irrevocable standby letter of credit issued by Capital One, National Association (draws under which will be supported by an irrevocable standby letter of credit issued by the Federal Home Loan Bank of Atlanta) and delivered by Riverwoods St. Michaels LLC to the Trustee on the Delivery Date for the credit of the Series 2013 D Negative Arbitrage Account, as described in Section 3.04 hereof.

"*Section 8*" means Section 8 of the United States Housing Act of 1937, as amended.

"*Series 2013 D Bonds*" means the $10,790,000 principal amount of Housing Revenue Bonds Series 2013 D of the Administration authorized by this Resolution.

"*Series 2013 D Development*" means, individually and collectively:

(1) Orchard Ridge Rental IV, a 64-unit multifamily residential rental development, located in Baltimore City, Maryland, owned and operated by Orchard Ridge Rental IV, LLC;

(2) Riverwoods at St. Michaels, a 39-unit (plus one staff unit) multifamily residential rental development, located in St. Michaels, Talbot County, Maryland, owned and operated by Riverwoods St. Michaels LLC; and

(3) Such other Development, the acquisition, construction, or rehabilitation of which, as determined by the Administration in its sole discretion, shall be partially financed with the proceeds of the Series 2013 D Bonds, including, if so determined by the Administration, Spring Valley Apartments, a 128-unit multifamily residential rental development, located in Lexington Park, St. Mary's County, Maryland, owned and operated by Spring Valley Workforce Housing, LP.

"*Series 2013 D Loans*" means, collectively, each Loan made to each Borrower to finance the related Series 2013 D Development.

"*Standby Letters of Credit*" means, collectively, the Orchard Ridge Standby Letter of Credit and the Riverwoods at St. Michaels Standby Letter of Credit.

"*Standby LOC Expiration Date*" means, collectively, the respective stated maturity dates of the Standby Letters of Credit.

"*Substitute Letter of Credit*" means any extension or renewal of, or letter of credit delivered by the Borrower to the Trustee in replacement of, any of the Standby Letters of Credit prior to the stated maturity or termination thereof, (i) issued by any financial institution or other entity with a long term debt rating of "A1" and a short term debt rating of "P1," provided that if the financial institution or other entity has no short term debt rating, then such financial institution or other entity shall have a long term debt rating of "Aa3," and (ii) which will not cause the rating on the Series 2013 D Bonds to be withdrawn, reduced or suspended, pursuant to the written confirmation by the Rating Agency whose rating is then in effect.

"*20-50 Test*" means 20% or more of the residential units in each Development are to be occupied by individuals whose income is 50% or less of area median gross income (as that term is defined in Section 142(d)(2)(B) of the Code).

The terms "hereby," "hereof," "hereto," "herein," "hereunder" and any similar terms, as used in this Resolution, refer to this Resolution.

Section 1.02. Authority for this Resolution. This Resolution is adopted pursuant to the provisions of the Act and the Bond Resolution.

Section 1.03. Determinations.

(a) The Director hereby determines that the issuance of the Series 2013 D Bonds under this Resolution is necessary to achieve the following purposes of the Administration under the Act: to increase the housing supply for families of limited incomes, to alleviate the shortage of adequate, safe and sanitary housing of families of limited incomes particularly and to promote sound community development. The Secretary hereby approves the foregoing determination of the Director.

(b) The Administration is issuing the Series 2013 D Bonds with the intent and expectation that the Series 2013 D Bonds will be Tax-Exempt Bonds.

Section 1.04. Purpose for which Series 2013 D Bond Proceeds May be Used. The proceeds of the Series 2013 D Bonds may be used for the purpose of making, purchasing or otherwise financing Qualified Loans, including the purchase of Guaranteed Securities, all for the construction, acquisition, renovation or rehabilitation of Developments pursuant to the Administration's housing programs, and all pursuant to the provisions of the Act.

ARTICLE II

AUTHORIZATION, DETAILS, TERMS AND ISSUANCE OF SERIES 2013 D BONDS

Section 2.01. Authorization and Details of Bonds.

(a) **Authorization, Principal Amount, Designations and Series**. In order to provide sufficient funds necessary for the making, purchasing or otherwise financing of Qualified Loans, all pursuant to the Act and in accordance with and subject to the terms, conditions and limitations established in the Bond Resolution and this Resolution, the Series 2013 D Bonds are hereby authorized to be issued. The Series 2013 D Bonds in the aggregate principal amount of $10,790,000 will be entitled "Housing Revenue Bonds," and such Series of Bonds shall bear the additional designation "Series 2013 D" and each as so designated shall be entitled "Housing Revenue Bond, Series 2013 D." The Series 2013 D Bonds may be issued only in fully registered form without coupons.

(b) **Series Dated Date**. The Series 2013 D Bonds shall be dated the date of their delivery (the "Delivery Date"), with interest to accrue from such date.

(c) **Form of Series 2013 D Bonds**. The fully registered Series 2013 D Bonds are to be substantially in the form set forth in Exhibit A attached hereto, with appropriate variations, omissions and insertions as permitted or required by the Bond Resolution or this Resolution.

If the Series 2013 D Bonds are printed on a single-sheet certificate, the Trustee is authorized to make those changes necessary to permit the form of Series 2013 D Bond to be printed on the front and back of a single-sheet certificate, including the addition of the following paragraph:

"REFERENCE IS HEREBY MADE TO THE FURTHER PROVISIONS OF THIS BOND SET FORTH ON THE REVERSE SIDE HEREOF, WHICH FURTHER PROVISIONS SHALL FOR ALL PURPOSES HAVE THE SAME EFFECT AS IF SET FORTH AT THIS PLACE."

(d) **Denominations, Numbers and Letters**. The Series 2013 D Bonds shall be issued in the denominations of $5,000 or any integral multiple thereof. The Series 2013 D Bonds shall be designated with the letter "R" and numbered consecutively from one (1) upward in order of issuance.

Section 2.02. Dates, Maturities and Interest Rates of Series 2013 D Bonds.

(a) The Series 2013 D Bonds shall be issued in the aggregate principal amount of $10,790,000, shall mature on the dates, and shall bear interest at the rates per annum set forth below:

Series 2013 D Serial Bonds

Maturity	Amount	Interest Rate
July 1, 2015	$40,000	0.600%
July 1, 2016	50,000	1.100
July 1, 2017	50,000	1.600
July 1, 2018	55,000	2.100
July 1, 2019	50,000	2.600
July 1, 2020	55,000	2.950
July 1, 2021	60,000	3.300
July 1, 2022	60,000	3.550
July 1, 2023	60,000	3.750
July 1, 2024	60,000	3.950

Series 2013 D Term Bonds

Maturity	Amount	Interest Rate
September 1, 2015	$5,650,000	0.900%
July 1, 2028	275,000	4.600
July 1, 2033	430,000	5.050
July 1, 2038	550,000	5.250
July 1, 2043	715,000	5.350
January 1, 2055	2,630,000	5.650

The Series 2013 D Bonds shall bear interest payable semiannually on January 1 and July 1 of each year commencing January 1, 2014, until payment of the principal thereof, from the Interest Payment Date next preceding the date of registration and authentication of each such Series 2013 D Bond, unless such Series 2013 D Bond is registered and authenticated as of an Interest Payment Date, in which case it shall bear interest from said Interest Payment Date, or unless such Series 2013 D Bond shall be in default, in which event such Series 2013 D Bond shall bear interest from the date on which interest was last paid on such Series 2013 D Bond or from the Delivery Date if no interest has been paid on such Series 2013 D Bond.

(b) The Series 2013 D Bonds maturing September 1, 2015, July 1, 2028, July 1, 2033, July 1, 2038, July 1, 2043 and January 1, 2055 are designated as Term Bonds, all in accordance with Section 2.02(e) of the Bond Resolution.

Section 2.03. Trustee and Registrar. Manufacturers and Traders Trust Company (successor by merger to Allfirst Bank), a New York banking corporation with trust powers and having a corporate trust office in Baltimore, Maryland, is hereby appointed the Trustee and Registrar, subject to Article XI of the Bond Resolution. The principal and redemption premium, if any, of each fully registered Series 2013 D Bond are payable at the designated office of the Trustee on or after the date of maturity or redemption, and the interest on each fully registered Series 2013 D Bond will be paid by check or draft mailed by, or, upon the request of a registered holder of a Series 2013 D Bond having a principal amount of $1,000,000 or more, by wire transfer from the Trustee to the owner thereof in whose name such Series 2013 D Bond is registered on the books of the Administration maintained by the Trustee for that purpose. All such payments by wire transfer shall include or be accompanied by the CUSIP number identification with appropriate dollar amount of payment pertaining to each CUSIP number (if more than one CUSIP number).

Section 2.04. Special Redemption of Series 2013 D Bonds. (a) The Series 2013 D Bonds are subject to special redemption, at the principal amount thereof, without premium, plus accrued interest thereon to the date of such redemption, and at the option of the Administration, as a whole or in part, at any time, from:

(i) Recovery Payments relating to Loans financed from any Series of Bonds, including, but not limited to, voluntary prepayments, condemnation proceeds, mortgage insurance payments, hazard insurance proceeds, foreclosure proceeds, prepayments of Guaranteed Securities resulting from HUD's override of prepayment restrictions in an FHA-insured mortgage in accordance with HUD's policies and procedures, and payments accepted by the Administration in order to refinance Developments which are in default or would have been in default but for the forbearance of the Administration, and any payments drawn from under any Credit Enhancement (including the Direct Pay Letters of Credit) as a result of any of the events described above in this Section 2.04(a)(i)

(ii) amounts on deposit in the Revenue Fund in excess of accrued Debt Service on all outstanding Bonds and any account funding requirements as of the date of transfer

(iii) amounts resulting from any reduction of the amount on deposit in the Debt Service Reserve Fund

(iv) proceeds of the Series 2013 D Bonds not used to finance Loans.

(b) If the Borrower has not caused to be delivered to the Trustee 30 days before the Standby LOC Expiration Date a Substitute Letter of Credit or taken such other action acceptable to the Rating Agencies, the Series 2013 D Bonds are subject to special redemption, at the principal amount thereof, without premium, plus accrued interest thereon to the date of such redemption, in part, on or before the 5th day prior to the Standby LOC Expiration Date (or if such day is not a Business Day, the Business Day prior to such 5th day), from proceeds of the Series 2013 D Bonds then remaining on deposit in the Series 2013 D Account of the Bond Proceeds Fund.

Section 2.05. Optional Redemption. (a) The Series 2013 D Bonds maturing on and after July 1, 2023 are subject to redemption, at the option of the Administration, in whole or in part, from any source of funds, at any time on and after January 1, 2023, at a redemption price equal to the principal amount thereof to be redeemed, plus accrued interest thereon to the date of redemption.

(b) The LOC Bonds are subject to redemption, at the option of the Administration, in whole or in part, from proceeds of the Direct-Pay Letters of Credit, at any time on and after September 1, 2014, at a redemption price equal to the principal amount thereof to be redeemed, plus accrued interest thereon to the date of redemption.

Section 2.06. Redemption from Sinking Fund Installment.

(a) The Series 2013 D Bonds maturing July 1, 2028, are subject to mandatory redemption in part by lot on January 1, 2025, and on each July 1 and January 1 thereafter to and including July 1, 2028, at the principal amount thereof, plus accrued interest thereon, if any, to the date of such redemption, on the dates and in the principal amounts as follows:

Date	Principal Amount	Date	Principal Amount
January 1, 2025	$30,000	January 1, 2027	$35,000
July 1, 2025	35,000	July 1, 2027	35,000
January 1, 2026	30,000	January 1, 2028	40,000
July 1, 2026	30,000	July 1, 2028†	40,000

†Final Maturity

The Series 2013 D Bonds maturing July 1, 2033, are subject to mandatory redemption in part by lot on January 1, 2029, and on each July 1 and January 1 thereafter to and including July 1, 2033, at the principal amount thereof, plus accrued interest thereon, if any, to the date of such redemption, on the dates and in the principal amounts as follows:

Date	Principal Amount	Date	Principal Amount
January 1, 2029	$40,000	July 1, 2031	$45,000
July 1, 2029	40,000	January 1, 2032	45,000
January 1, 2030	40,000	July 1, 2032	45,000
July 1, 2030	40,000	January 1, 2033	45,000
January 1, 2031	45,000	July 1, 2033†	45,000

†Final Maturity

The Series 2013 D Bonds maturing July 1, 2038, are subject to mandatory redemption in part by lot on January 1, 2034, and on each July 1 and January 1 thereafter to and including July 1, 2038, at the principal amount thereof, plus accrued interest thereon, if any, to the date of such redemption, on the dates and in the principal amounts as follows:

Date	Principal Amount	Date	Principal Amount
January 1, 2034	$50,000	July 1, 2036	$60,000
July 1, 2034	50,000	January 1, 2037	55,000
January 1, 2035	50,000	July 1, 2037	60,000
July 1, 2035	50,000	January 1, 2038	60,000
January 1, 2036	50,000	July 1, 2038†	65,000

†Final Maturity

The Series 2013 D Bonds maturing July 1, 2043, are subject to mandatory redemption in part by lot on January 1, 2039, and on each July 1 and January 1 thereafter to and including July 1, 2043, at the principal amount thereof, plus accrued interest thereon, if any, to the date of such redemption, on the dates and in the principal amounts as follows:

Date	Principal Amount	Date	Principal Amount
January 1, 2039	$65,000	July 1, 2041	$75,000
July 1, 2039	65,000	January 1, 2042	75,000
January 1, 2040	65,000	July 1, 2042	75,000
July 1, 2040	70,000	January 1, 2043	75,000
January 1, 2041	70,000	July 1, 2043†	80,000

†Final Maturity

The Series 2013 D Bonds maturing January 1, 2055 are subject to mandatory redemption in part by lot on January 1, 2044, and on each July 1 and January 1 thereafter to and including January 1, 2055, at the principal amount thereof, plus accrued interest thereon, if any, to the date of such redemption, on the dates and in the principal amounts as follows:

Date	Principal Amount	Date	Principal Amount
January 1, 2044	$85,000	January 1, 2050	$115,000
July 1, 2044	85,000	July 1, 2050	115,000
January 1, 2045	85,000	January 1, 2051	125,000
July 1, 2045	90,000	July 1, 2051	125,000
January 1, 2046	90,000	January 1, 2052	130,000
July 1, 2046	95,000	July 1, 2052	135,000
January 1, 2047	95,000	January 1, 2053	135,000
July 1, 2047	105,000	July 1, 2053	140,000
January 1, 2048	105,000	January 1, 2054	145,000
July 1, 2048	105,000	July 1, 2054	150,000
January 1, 2049	110,000	January 1, 2055†	155,000
July 1, 2049	110,000		

†Final Maturity

(b) The Sinking Fund Installments for the Series 2013 D Term Bonds are hereby established as the principal amounts set forth above, which are to be paid on the dates set forth above; provided also that where there has been redemption or purchase of Bonds subject to sinking fund redemption from moneys in the Redemption Fund the amount of each future Sinking Fund Installment shown will be reduced as provided in the Bond Resolution.

Section 2.07. Redemption Notice. In the event any of the Series 2013 D Bonds or portions thereof are called for redemption as aforesaid, notice thereof identifying the Series 2013 D Bonds or a portion thereof to be redeemed will be given by the Trustee not fewer than thirty days prior to the date fixed for redemption to the registered owner of each Series 2013 D Bond, all or a portion of which is to be redeemed, at the address shown on the registration books; provided, however, that the giving of such notice with respect to any Series 2013 D Bond shall not be a condition precedent to, and failure to give such notice, or any defect therein, with respect to any Series 2013 D Bond shall not affect the validity of any proceeding for the redemption of any other Series 2013 D Bond.

Section 2.08. Sales of Series 2013 D Bonds.

(a) The Series 2013 D Bonds authorized to be issued shall be sold to J.P. Morgan Securities LLC (the "Purchaser"), at the aggregate price of $10,790,000, on the terms and conditions set forth in the Bond Purchase Contract dated September 5, 2013 (the "Purchase Contract"), by and between the Purchaser and the Administration.

(b) The Authorized Officers of the Administration are, and each of them is, hereby authorized to do or perform all such acts and to execute the Purchase Contract and all such certificates, documents and other instruments as they or any of them deem necessary or advisable to carry the same into effect.

(c) The Administration hereby authorizes, approves and ratifies the preparation, publication, distribution and use of the Official Statement dated September 5, 2013, relating to the Series 2013 D Bonds.

Section 2.09. Delivery of Series 2013 D Bonds. The Series 2013 D Bonds shall be delivered to the Purchaser upon compliance with the provisions of the Bond Resolution, at such time and place as provided in, and subject to, the provisions of the Purchase Contract.

Section 2.10. Further Authority. The Authorized Officers of the Administration are, and each of them is, hereby authorized to do or perform all such acts and to execute all such certificates, documents and other instruments as they or any of them deem necessary or advisable to provide for the issuance, sale and delivery of the Series 2013 D Bonds.

ARTICLE III

ESTABLISHMENT OF ACCOUNTS AND APPLICATION OF SERIES 2013 D BOND PROCEEDS

Section 3.01. Establishment of Accounts. There is hereby established an account in the Bond Proceeds Fund designated as the Series 2013 D Account, moneys in which shall be used for the purposes set forth in and as authorized by Section 5.02 of the Bond Resolution and Section 3.02 hereof.

Section 3.02. Application of Proceeds of Series 2013 D Bonds. From the proceeds of the Series 2013 D Bonds, the Trustee shall deposit $10,790,000 into the Series 2013 D Account of the Bond Proceeds Fund to be used for any purpose for which such proceeds may be used under the Bond Resolution, including the making of the Series 2013 D Loans.

Section 3.03. Debt Service Reserve Requirement. The Debt Service Reserve Requirement with respect to the Series 2013 D Bonds is hereby established as an amount equal to $0.

Section 3.04. Series 2013 D Negative Arbitrage Account. There is hereby established an account to be held by the Trustee designated as the "Series 2013 D Negative Arbitrage Account." On the Delivery Date, there shall be delivered by the Borrower to the Trustee for the benefit of the holders of the Series 2013 D Bonds for deposit to the Series 2013 D Negative Arbitrage Account the Standby Letters of Credit, permitting draws thereunder by the Trustee in the aggregate amount of $340,847.27 (as such amount may be reduced from time to time with the consent of the Administration).

The Trustee is hereby directed to draw amounts under each of the Standby Letters of Credit from time to time, as directed by the Administration, in accordance with the terms hereof and thereof for deposit to the Series 2013 D Negative Arbitrage Account and application to the purposes stated below in this Section 3.04. The Trustee shall not sell, transfer or otherwise dispose of any of the Standby Letters of Credit delivered to the Trustee on the Delivery Date unless (i) the Borrower has delivered to the Trustee a Substitute Letter of Credit prior to such sale, transfer or other disposition or (ii) such sale, transfer or other disposition of the Standby Letters of Credit is directed by the Administration and is required for the purpose of providing funds for the defeasance or redemption, at par, of the Series 2013 D Bonds outstanding hereunder.

To the extent amounts in the Revenue Fund are insufficient to pay interest on the Series 2013 D Bonds on any Interest Payment Date, the Trustee shall, at the written direction of the Administration, draw the requisite amount under the Standby Letters of Credit for deposit to the Series 2013 D Negative Arbitrage Account and transfer such amount to the Revenue Fund on the Interest Payment Date (or such earlier date required under the terms of any of the Standby Letters of Credit) to fund such insufficiency.

To the extent the Series 2013 D Bonds are to be redeemed, prior to the Standby LOC Expiration Date, pursuant to Section 2.04(a)(iv) hereof, the Trustee is hereby instructed not later than the 5th day prior to the Standby LOC Expiration Date (or if such day is not a Business Day, the Business Day prior to such 5th day) to draw on any of the Standby Letters of Credit as directed in writing by the Administration for all amounts available thereunder for payment of the interest component of the redemption price of the Series 2013 D Bonds to be so redeemed, to the extent amounts in the Revenue Fund are insufficient to pay such interest component. In the event that all or a portion of the proceeds of the Series 2013 D Bonds are on deposit in the Series 2013 D Account of the Bond Proceeds Fund 5 days prior to the Standby LOC Expiration Date and the Administration has not exercised its right to redeem the Series 2013 D Bonds pursuant to Section 2.04(a)(iv) hereof, the Trustee is hereby instructed not later than the 5th day prior to the Standby LOC Expiration Date (or if such 5th day is not a Business Day, the Business Day immediately prior to such 5th day), to draw on any of the Standby Letters of Credit for all amounts available thereunder for the payment of interest when due on the Series 2013 D Bonds and deposit such amounts to the Series 2013 D Negative Arbitrage Account.

Section 3.05. Direct-Pay Letters of Credit. The Trustee is hereby directed to hold each Direct-Pay Letter of Credit on behalf of the holders of the applicable LOC Bonds and to allocate each Direct-Pay Letter of Credit to the credit of the Revenue Fund. The Trustee is hereby instructed:

(a) (i) to draw on the Orchard Ridge Direct-Pay Letter of Credit to pay the regularly scheduled principal of and interest on the Orchard Ridge LOC Bonds on each Interest Payment Date and the Maturity Date for the Orchard Ridge LOC Bonds; and

(ii) to draw on the Riverwoods at St. Michaels Direct-Pay Letter of Credit to pay the regularly scheduled principal of and interest on the Riverwoods at St. Michaels LOC Bonds on each Interest Payment Date and the Maturity Date for the Riverwoods at St. Michaels LOC Bonds.

(b) to draw on the applicable Direct-Pay Letter of Credit five business days prior to any termination of such Direct-Pay Letter of Credit by its terms; and

(c) in the event the Trustee is notified that there will be an automatic termination of a Direct-Pay Letter of Credit as a result of the occurrence of an event of default by the Borrower who delivered such Direct-Pay Letter of Credit, to draw on the such Direct-Pay Letter of Credit on or before the 5th day prior to the date of such automatic termination and apply the proceeds of such draw to the special redemption of the applicable LOC Bonds in accordance with the provisions of Section 2.04(a) hereof.

In repayment of amounts drawn by the Trustee under the Direct-Pay Letters of Credit, on each Interest Payment Date, the Trustee shall deliver to Capital One, National Association, as provider of the Direct-Pay Letters of Credit, funds paid to the Trustee for the benefit of the Administration by the Borrower, pursuant to the promissory notes evidencing the obligations of the Borrower to repay the portion of the Series 2013 D Loans financed with the proceeds of the applicable LOC Bonds.

ARTICLE IV

SPECIAL PROVISIONS

Section 4.01. Election Pursuant to Section 142(d)(1) of the Code. Pursuant to Section 142(d)(1) of the Code, the Administration hereby elects to have the following test(s) apply to the Series 2013 D Development listed below:

Development	Loan Amount	Test Elected
Orchard Ridge Rental IV	$7,390,000[1]	40-60 Test
Riverwoods at St. Michaels	$3,400,000	40-60 Test
Additional Development[2]	$215,000	40-60 Test

Section 4.02. Additional Requirements for Qualification of Loans Financed with Proceeds of Series 2013 D Bonds.

(a) In addition to the requirements of Section 5.10 of the Bond Resolution, each Borrower under a Loan financed with proceeds of the Series 2013 D Bonds shall enter into a Declaration in which the Borrower covenants that it will comply with the requirements of either the 20-50 Test or the 40-60 Test elected pursuant to Section 4.01 above and applicable to its Loan. This covenant is subject to the provisions of subsection (c) of this Section 4.02, and, in addition, may be amended if a Qualified Bond Counsel issues its opinion to the Administration and the Trustee to the effect that as a result of an amendment to this covenant, interest on the Series 2013 D Bonds will remain excludable from gross income for federal income tax purposes.

(b) In addition to the requirements of Section 5.10 of the Bond Resolution, each Borrower under a Loan financed with proceeds of the Series 2013 D Bonds shall enter into a Declaration in which the Borrower covenants that all of the dwelling units in each such Development must be rented or available for rental on a continuous basis during the Qualified Project Period. In order to satisfy this requirement, a development which contains fewer than five units must not have a unit occupied by the owner of such

[1] Includes $215,000 of proceeds of Bonds previously issued by the Administration.

[2] The Administration shall determine, in its sole discretion, the additional Development (including, if so determined, the Spring Valley Apartments) to be financed with the proceeds of the Series 2013 D Bonds, to which the test elected, as indicated herein, will be applied.

Development. This covenant is subject to subsection (c) of this Section 4.02 and in addition may be amended if a Qualified Bond Counsel issues its opinion to the Administration and the Trustee to the effect that notwithstanding or as a result of an amendment to this covenant, interest on the Series 2013 D Bonds will remain excludable from gross income for federal income tax purposes.

(c) The Declaration containing the covenants required under subsections (a) and (b) of this Section 4.02 may provide that such covenants shall cease to apply to a Development in the event of involuntary noncompliance caused by fire, seizure, requisition, foreclosure, transfer of title by deed in lieu of foreclosure, change in a law of the United States or an action of an agency of the United States after the date of issue of the Series 2013 D Bonds which prevents the Administration from enforcing these covenants, or condemnation or similar event, but only if, within a reasonable period as determined by a Qualified Bond Counsel, either the Series 2013 D Bonds used to finance such Development are retired or amounts received by the Administration as a consequence of such event are used to finance a Development which meets the requirements of this Section 4.02 and Section 142(d) of the Code. This covenant may be waived or amended if a Qualified Bond Counsel issues its opinion to the Administration and the Trustee to the effect that notwithstanding or as a result of an amendment to or waiver of this covenant, interest on the Series 2013 D Bonds will remain excludable from gross income for federal income tax purposes.

(d) The Administration covenants to enforce the provisions of each Declaration required by this Section 4.02, against each respective Borrower.

(e) Prior to closing any Loan to be insured by FHA and financed with proceeds of the Series 2013 D Bonds, the Administration shall obtain from FHA its approval of the covenants required by subsection (a) of this Section 4.02 for the Development to be financed by the Loan, if FHA shall require that it give such approval as a condition of insuring the Loan. The certificate of an Authorized Officer required by Section 5.02(c)(2) of the Bond Resolution to be received by the Trustee upon the first disbursement of a Loan shall include a certification for any FHA-insured Mortgage Loan to be financed with the proceeds of the Series 2013 D Bonds that such approval of FHA either (i) has been obtained or (ii) is not required.

(f) In addition to the requirements of Section 5.10 of the Bond Resolution, prior to closing any Loan to be financed with the proceeds of the Series 2013 D Bonds, with respect to an existing building, if any, the Administration shall (i) enter into such agreements and covenants with the Borrower under such Loan as are necessary, in the opinion of Qualified Bond Counsel, to ensure the exclusion from gross income of interest on the Series 2013 D Bonds for federal income tax purposes pursuant to Section 142(d) of the Code, including the requirement that an amount equal to 15% of the proceeds of the Series 2013 D Bonds applied to the purchase of a Development (excluding the land) shall be expended for costs of rehabilitation of such Development under the Code and (ii) certify that such Development is neither a certified historic structure nor located in a registered historic district within the meaning of Section 48(g)(3) of the Code, unless in the opinion of a Qualified Bond Counsel such certification is not necessary to ensure that

interest on the Series 2013 D Bonds will remain excludable from gross income for federal income tax purposes.

(g) The Administration agrees to enter into and record among the land records in the county in which each Development is located, a Declaration with respect to each Loan.

Section 4.03. Arbitrage Compliance.

(a) **Arbitrage Compliance Covenant**. The Administration covenants for the benefit of the holders from time to time of the Series 2013 D Bonds to take, or refrain from taking, such actions as are necessary to comply with the requirements of the Code, including, without limitation, the requirements with respect to arbitrage contained in Section 148 of the Code, to the extent the provisions thereof apply to the Series 2013 D Bonds, unless, in the opinion of Qualified Bond Counsel, such action will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Series 2013 D Bonds. This covenant shall not require the Administration to take, or refrain from taking, action not within its control, such as, for example, and not by way of limitation, the treatment of interest on the Series 2013 D Bonds, or any Bonds, as a preference item or as "book income" or as subject to the environmental tax imposed on corporations pursuant to Section 59A of the Code.

(b) **Calculation of Rebate Amounts Generally**. The Administration shall be primarily responsible for the calculation of all amounts, if any, required to be rebated to the United States in accordance with the provisions of Section 148(f) of the Code. Such calculations shall be made in accordance with written instructions or advice from the Administration to be delivered to the Trustee on the Issue Date of the Series 2013 D Bonds setting forth the requirements for calculation of the rebate to the United States in accordance with Section 148(f) of the Code (the "Rebate Instructions"). The Rebate Instructions may be amended to comply with the requirements of Section 148(f) of the Code, including without limitation any amendments thereto or binding interpretations thereof issued by the Internal Revenue Service that affect the method of rebate calculation, with the written approval of Qualified Bond Counsel. The Trustee shall invest all moneys and Permitted Investments in its possession in accordance with the written instructions or advice received from the Administration.

(c) **Account Statements and Record Retention**. No later than the 15th day of each month, the Trustee shall provide the Administration with account statements for the immediately preceding month setting forth account balances at the beginning and end of the immediately preceding month, and transaction summaries for the immediately preceding month, for each fund or account under the Bond Resolution, and any other account information that the Administration may reasonably request in order to perform the rebate and any investment calculations required by this Section. The Administration and the Trustee shall retain adequate records relating to (i) payment of interest on the Series 2013 D Bonds and (ii) the purchase of and payments on obligations subject to arbitrage rebate, so that an adequate determination of yield on the Series 2013 D Bonds and such obligations may be made. Such records shall be retained by the Administration

and the Trustee until six years after the retirement of the later of (i) the last obligation of the Series 2013 D Bonds or (ii) the last tax-exempt obligations that will refund any of the Series 2013 D Bonds, if any.

(d) **Annual Calculation of Rebate**. Within 60 days after each January 1 following the date of issuance of the Series 2013 D Bonds, other than a Federal Computation Date (as defined in subsection (e) below), the Administration shall calculate the amount, if any, payable as rebate to the United States in accordance with Section 148(f) of the Code, the requirements of which are set forth in the Rebate Instructions (herein referred to as the "Annual Computation Amount") and shall deliver to the Trustee a written statement setting forth the Annual Computation Amount.

(e) **Calculation of Rebate on Federal Computation Dates**. Within 10 days after December 1, 2017, and each December 1 every fifth year thereafter until the date of the retirement of the last of the Series 2013 D Bonds, and the date of the retirement of the last of the Series 2013 D Bonds (each such date a "Federal Computation Date"), the Trustee shall deliver to the Administration the account statements for the month immediately preceding such Federal Computation Date, together with a request for confirmation that the Administration is proceeding with calculation of the amount, if any, payable as arbitrage rebate to the United States in accordance with §148(f) of the Code (herein referred to as the "Rebate Amount") and expects that calculation of the Rebate Amount will be completed no later than the 45th day after the respective Federal Computation Date. If the Administration fails to provide such confirmation within five days after receipt of such request, the Trustee shall again request such confirmation from the Administration and, if the Trustee does not receive written confirmation from the Administration that it is proceeding with calculation of the rebate amount, the Trustee shall proceed at the Administration's expense, to calculate or cause to be calculated the Rebate Amount.

Within 45 days after each Federal Computation Date, the Administration shall deliver to the Trustee a statement of the Rebate Amount, together with any instructions relating to payment of such Rebate Amount from any funds held by the Trustee under the Bond Resolution. The Administration shall pay, or cause to be paid, the Rebate Amount to the United States no later than 60 days following each Federal Computation Date. If the Administration fails to pay the Rebate Amount by such date, the Administration shall be responsible for payment of any interest or penalties as a result of such late payment.

(f) **Calculation of Rebate by the Trustee**. If the Trustee is required to calculate the Rebate Amount, such calculations shall be made in accordance with the Rebate Instructions. The Trustee may, at the Administration's expense, hire a firm of certified public accountants, financial analysts or bond counsel, or a financial institution, or any subsidiary or related entity or organization of any of the foregoing, experienced in making arbitrage and rebate calculations required pursuant to Section 148 of the Code (the "Rebate Expert") to calculate the Rebate Amount. If the Trustee has calculated or caused to be calculated the Rebate Amount, the Trustee shall pay, or cause to be paid, the Rebate Amount to the United States no later than 60 days following each Federal Computation Date from any funds available under the Bond Resolution. If the Trustee

fails to pay the Rebate Amount by such date, the Trustee shall be responsible for payment from its own funds of any interest or penalties as a result of such late payment. The Trustee and the Administration acknowledge and agree that payment of the Rebate Amount is the responsibility of the Administration.

(g) **Modification of Rebate Calculation and Payment Provisions**. The provisions of this Section may be modified from time to time pursuant to a Supplemental Certificate provided to the Trustee by the Administration, accompanied by an opinion of Qualified Bond Counsel to the effect that such modification will not adversely affect the exclusion of interest on the Series 2013 D Bonds from gross income for federal income tax purposes. Notwithstanding the foregoing sentence, nothing herein contained shall be construed to permit the modification of the duties and obligations of the Trustee under this Section without the prior written consent of the Trustee.

(h) **Failure to Comply Not an Event of Default**. Notwithstanding any other provision of this Series Resolution or the Bond Resolution, any failure of or on the part of the Administration to comply with the provisions or requirements of this Section shall not be deemed an Event of Default under the Bond Resolution and shall not give rise to any of the remedies contained in Article VIII of the Bond Resolution.

ARTICLE V

MISCELLANEOUS

Section 5.01. Severability. If any provision of this Resolution shall be held or deemed to be or shall, in fact, be illegal, inoperative or unenforceable, the same shall not affect any other provision or provisions herein contained or render the same invalid, inoperative or unenforceable to any extent whatsoever.

Section 5.02. Applicable Provisions of Law. This Resolution shall be governed by and construed in accordance with the laws of the State.

[Remainder of page intentionally left blank]

Adopted and determined by the Director of the Community Development Administration, and approved by the Secretary of Housing and Community Development, as of September 1, 2013.

COMMUNITY DEVELOPMENT ADMINISTRATION

By: _____
Frank B. Coakley, Director

Attest:

By: _____
Authorized Officer

APPROVED BY:

By: _____
Raymond A. Skinner,
Secretary of Housing and Community Development

July 26, 2013

Orchard Ridge Rental IV, LLC
c/o Pennrose Properties, LLC
575 S. Charles Street, Ste. 140
Baltimore, Maryland 21201

Attention: Ivy Dench-Carter, Vice President

RE: Orchard Ridge IV
Project Number: RHW 28.615.0900
PRHP 26.616.1900

Dear Ms. Dench-Carter:

The Department of Housing and Community Development, a principal department of the State of Maryland ("**DHCD**"), offers by this letter (the "**Commitment**") to make two loans (collectively, the "**Loans**") in the amount and on the terms and conditions set forth below to Orchard Ridge Rental IV, LLC (the "**Borrower**").

1. Statutory Authority: This Commitment is issued pursuant to the following statutory authority:

(a) The Rental Housing Production Program pursuant to Sections 4-1501 through 4-1511 of the Housing and Community Development Article of the Annotated Code of Maryland, as amended, and the regulations promulgated thereunder (the "**Act**") and the authority of the Maryland Consolidated Capital Bond Loan of 2012, Senate Bill 151, for funding the Rental Housing Works initiative (the "**RHW Program**");

(b) The Partnership Rental Housing Program pursuant to Sections 4-1201 through 4-1209 of the Housing Article and the regulations promulgated thereunder (the "**PRHP Program**");

2. Project Financing

2.1 Use of Funds:

(a) The loan from the RHW Program (the "**RHW Loan**") shall be used to finance costs for acquisition and construction of 64 rental units located at scattered sites in Baltimore, Maryland, known as Orchard Ridge IV (the "**Project**").

(b) The loan from the PRHP Program (the "**PRHP Loan**") shall be used to finance acquisition and construction costs of 9 units in the Project (the "**PRHP Units**").

2.2 Other Financing:

(a) The Loans will be subordinate to a first lien securing a loan from the Community Development Administration ("**CDA**"), a unit of the Division of Development Finance of DHCD (the "**First Lender**") to the Borrower in the amount of $4,325,000 at an interest rate of approximately 5.5% for a term of 40 years (the "**First Loan**").

(b) The RHW Loan will be superior to the following: (a) a subordinate lien securing a HOME Loan (the "**HOME Loan**") from the Mayor and City Council of Baltimore, acting by and through its Department of Housing and Community Development ("**Baltimore City**") to Borrower in the amount of $1,680,000 at an interest rate of 0% for a term of 40 years; and (b) the PRHP Loan.

(c) The PRHP loan shall be subordinate to the RHW Loan and the HOME Loan.

3. Terms of the Financing:

3.1 Principal Amount:

(a) RHW Loan: up to $2,000,000

(b) PRHP Loan: up to $624,319

3.2 Term: The construction or rehabilitation loan period shall not exceed 16 months commencing on the date the Loans close (the "**Initial Closing**"), which shall include three months for cost certification (the "**Construction Loan Period**"). The permanent loan period shall be 40 years commencing at the end of the Construction Loan Period (the "**Permanent Loan Period**"). The date of the final principal payment during the Permanent Loan Period is the "**Maturity Date**."

3.3 Interest Rate: During the Construction Loan Period the interest rate charged for the Loans shall be 0% per annum on sums advanced. During the Permanent Loan Period, simple interest shall be charged as follows:

(a) RHW Loan: 2% per annum

(b) PRHP Loan: An annual rate to be determined based on the rate on the General Obligation Bonds the proceeds of which were used to fund the PRHP Loan (the "**GO Bonds**").

3.4 Repayment: (a) During the Construction Loan Period, no payments shall be due on the principal balance of the Loans advanced by DHCD.

(b) For the RHW Loan, amortization of principal shall commence with the Permanent Loan Period. The Borrower shall make annual payments of principal and interest out of 50% of surplus cash so as to fully amortize the principal sum by the Maturity Date. Payments shall be applied first to interest then to principal. Any interest and principal not paid because of insufficient surplus cash shall be deferred and paid each subsequent payment date to the extent there is sufficient surplus cash. If the Borrower is

unable to make the deferred payment in full on the next annual installment date, any unpaid amount shall continue to be due and payable on each subsequent annual installment date until paid in full. Interest shall continue to accrue on any deferred principal. The outstanding principal balance of the RHW Loan together with all accrued interest shall be due and payable on the Maturity Date or upon acceleration following default.

(c) For the PRHP Loan, all payments of principal and interest shall be deferred until the Maturity Date. However, the entire principal balance of the PRHP Loan, together with all deferred interest, shall become due and payable at such time when the PRHP Units are no longer being used as a partnership rental housing project for eligible households in accordance with the PRHP Program or upon the occurrence of any of the events listed in section 3.6.

3.5 Prepayment:

(a) The RHW Loan may be prepaid in part or in full provided the Borrower complies with the conditions set forth in Section 9 of Exhibit A. Prepayment does not terminate the income restrictions applicable to the Project.

(b) The PRHP Loan may not be prepaid without the prior written consent of DHCD and bond counsel for the GO Bonds. Any permitted prepayment shall be in an amount equal to the outstanding principal balance of the PRHP Loan, together with all accrued but unpaid interest. All prepayments shall be made in accordance with the requirements of Maryland Code of Regulations 05.05.05.12.

3.6 Payment Date: The entire principal balance of the Loans shall be due and payable on the first to occur of:

(a) the Maturity Date;

(b) the refinancing, sale, transfer, conveyance or any encumbrance of the Project or portion thereof without the prior written consent of DHCD;

(c) default under the Loan documents; or

(d) default of any superior loan or subordinate loan.

3.7 Late Payment Charge: A late charge of 5% of the payment due may be charged if the payment is more than 10 days late.

3.8 Regulated Units: (a) 40% of the units in the Project must be rented to families whose incomes do not exceed 60% of area median income, provided, however, that if the Low Income Housing Tax Credit Covenant which the Borrower will execute in connection with the tax credits described in paragraph 3.9 hereof is released or terminated prior to the Maturity Date for any reason then the following income restrictions shall apply:

(i) 9 of the units will be occupied by households with annual incomes of 50% of the statewide median income;

(ii) 9 of the units will be occupied by households with annual incomes of 50% of area median income.

(iii) 46 of the units will be occupied by households with annual incomes of 60% of area median income.

3.9 Low Income Housing Tax Credit: On or before initial closing of the Loans ("**Initial Closing**"), the Borrower shall have received from CDA a letter pursuant to Section 42(m) of the Internal Revenue Code, as amended, that the Project is deemed eligible to receive an allocation of low income housing tax credits in an amount acceptable to CDA. Based on information received by CDA to date, the amount of the Project's annual tax credit allocation is estimated to be approximately $506,404.

3.10 Syndication Proceeds: (a) The Borrower shall use its best efforts to sell at least 98.98% of ownership interests in the Borrower for approximately $5,063,533 to investors no later than Initial Closing.

(b) "**Net Syndication Proceeds**" (equal to the difference between the total gross proceeds of syndication and costs of syndication approved by DHCD) shall be distributed in accordance with the DHCD approved budget and draw schedule for the following:

(1) to fund reserves and accounts required for the Project by the Loan or syndication documents;

(2) to pay development costs included in the Project budget as approved by the Department;

(3) to reimburse the Borrower for approximately $400,261 of its equity contribution;

(4) to pay a Borrower's development fee of up to 15% of total actual approved development costs of the Project excluding acquisition costs, plus 10% of approved acquisition costs, which is expected to be approximately $1,634,415;

(5) to pay any other approved development cost or fund Project betterments; or

(6) to reduce the outstanding principal balance of the RHW Loan or the PRHP Loan (subject to DHCD approval).

(c) The Borrower shall execute an assignment and security agreement granting a security interest in the syndication proceeds.

(d) Prior to Initial Closing, the Borrower shall provide DHCD with a copy of the Operating Agreement evidencing the Borrower's investor's obligations to purchase the non-managing member interest in the Borrower for the amount set forth in paragraph (a) above.

3.11 Equity Participation Agreement: The Borrower shall be required to execute an Equity Participation Agreement whereby the Borrower agrees to pay to DHCD a percentage of any net equity in the Project upon the earlier of an accelerated maturity under any of the Loans, prepayment of all or a portion of the RHW Loan, refinancing of the Project, the Maturity Date, sale or transfer of the Property, or transfer of a controlling interest in the Borrower. The percentage of net equity due will be based on the percentage that the RHW Loan comprises of the total development cost of the Project as determined by the Project's cost certification. The equity share may be subject to an overall cap based on tax considerations.

4. Funds and Accounts

4.1 Reserve for Replacements: Beginning with the Permanent Loan Period, the Borrower shall deposit $1,600 per month into a reserve fund for replacements (the "**Reserve for Replacements**"). Disbursements from the Reserve for Replacements shall require DHCD's prior written approval. The Reserve for Replacements shall be held by DHCD, except to the extent such an amount is held by a superior lienholder.

4.2 Lease-Up Reserve: The Borrower shall deposit approximately $93,794 into a lease-up reserve (the "**Lease-up Reserve**") to be held by DHCD until the Project reaches 95% occupancy. Prior to that time funds may be disbursed only with DHCD's approval. Any funds remaining at 95% occupancy shall be transferred to the Reserve for Replacements.

4.3 Operating Reserve: At the beginning of the Permanent Loan Period, the Borrower shall deposit approximately $328,519 into an operating reserve (the "**Operating Reserve**") to be held by DHCD, except to the extent such account is held by a superior lienholder. Operating Reserve funds may be disbursed for Project operating expenses with the consent of DHCD. The Operating Reserve shall be held until DHCD determines that for each of 12 consecutive months, (a) Project income equals or exceeds the sum of all Project expenses plus 110% of all debt service obligations and (b) the Project has maintained 90% occupancy. Thereafter, funds in the Operating Reserve may be released over the next three or more years at the discretion of DHCD, provided the Project continues to achieve economic break-even operations and 90% occupancy. Upon release, funds from the Operating Reserve shall be applied, first, to pay any unpaid portion of a deferred developer's fee, if any, and then, may be used, at the discretion of DHCD, to reduce the outstanding principal balance of the Loan, fund other reserves, fund Project betterments or fund other costs approved by DHCD.

4.4 Construction Contingency Fund: A construction contingency fund in the amount of approximately $458,637 will be reserved from Project proceeds in accordance with the budget approved by DHCD and may be used, at DHCD's discretion, to pay unanticipated costs of construction, to fund change orders approved by DHCD during construction and to reimburse the Borrower at final closing of the Loan ("**Final Closing**") for approved costs not previously paid with Project proceeds. If the contingency fund is not used to reimburse the Borrower for approved costs, the Loans will be reduced by the amount of funds remaining in the contingency fund.

4.5 Escrow Fund: Beginning with the Permanent Loan Period, the Borrower shall make monthly deposits for taxes, payments in lieu of taxes and special assessments, sewer and water rates and other governmental or municipal impositions, ground rent, if any, and insurance premiums, in order to accumulate with DHCD sufficient funds to pay such impositions and premiums one month prior to their due

date. DHCD shall waive this requirement to the extent such escrow payments actually are collected by a superior lienholder.

5. Security

5.1 Deed of Trust: The Borrower shall execute a Deed of Trust, Security Agreement and Assignment of Rents securing both of the Loans (the "**Deed of Trust**"), which will constitute a valid lien on the real property on which the Project is located (the "**Property**") in the following order of priority:

(a) RHW Loan - second; and

(b) PRHP Loan – fourth.

5.2 Other Security: (a) The Borrower shall execute additional security instruments as follows:

(i) assignment of a Housing Assistance Payments Contract;

(ii) pledge of development fee; and

(iii) pledge of depository accounts;

(b) The Borrower shall authorize DHCD to file one or more financing statements with respect to the property securing the Loans.

6. Completion Assurances and Other Requirements

6.1 Assurance of Completion: The Borrower or Borrower's general contractor must provide payment and performance bonds naming DHCD as obligee, each in the amount of 100% of the construction contract price. There shall be no limitations on, exclusions of, or conditions on claims for latent defects.

6.2 Guaranty of Completion: Pennrose Properties, LLC shall execute a guaranty of completion of the Project.

6.3 Local Resolution: DHCD shall receive a certified copy of an approving resolution, in a form satisfactory to DHCD, duly adopted by Board of Estimates of Baltimore City and approved by the Mayor of Baltimore City identifying the Borrower, the location and nature of the Project and approving DHCD's financing of the Project.

6.4 Local Contribution: DHCD shall receive satisfactory evidence that Baltimore City has made or will make, at or before Initial Closing, a local contribution to the Project in the form of a HOME loan in the amount of $1,680,000;

6.5 Other Funds: (a) Borrower's Equity: The Borrower shall contribute no less than $425,784 in the form of deferred fee toward the total cost of the Project.

(b) Other Financing: All other loans and grants described in Section 2.2 above shall be closed on or before Initial Closing.

6.6 Interim Income: All net income received by the Project during the Construction Loan Period shall be held by the Borrower in trust for the Project.

6.7 Rental Assistance: The Borrower shall execute an Agreement to Enter into a Housing Assistance Payments Contract under the Section 8 Project-Based Voucher Program with the Housing Authority of Baltimore City ("**HABC**"). Upon completion of the Project, the Borrower shall execute a Housing Assistance Payments Contract (the "**HAP Contract**") with HABC. Borrower shall renew its rights under the HAP Contract so that it shall remain in full force and effect for not less than 15 years even if the Loan has been repaid in full.

6.8 Superior Mortgagee's Agreement: The lienholder under any superior loan shall execute an agreement in a form acceptable to DHCD, consenting to DHCD's lien, agreeing to provide DHCD with timely notice of default, and the right to cure such default, and providing for a suspension of any non-monetary default not curable by DHCD.

6.9 Environmental Assessment: The Borrower shall undertake a Phase I assessment of the Project in accordance with the requirements of Section 7 of Exhibit A.

6.10 Equal Opportunity Conference: In order to assure compliance with the standard non-discrimination requirements set forth in Section 10.2 of Exhibit A, the Borrower shall

(a) attend an equal employment opportunity and preconstruction conference with the general contractor conducted by DHCD prior to execution of any construction contracts, and

(b) if the Project is a rehabilitation project which requires moving of existing tenants, comply with DHCD relocation policy.

6.11 Title and Survey: Borrower shall deliver title insurance complying with the standard terms and conditions set forth on Exhibit A and a survey complying with the standard terms and conditions set forth on Exhibit A.

6.12 Cost Certification: Cost certification by a certified public accountant acceptable to DHCD shall be required upon completion of construction. A compilation of invoices and receipts shall be provided to DHCD and reviewed and approved by DHCD upon completion of construction.

6.13 Tenant Services. The Borrower shall provide tenant services for the residents of the Project in accordance with a Tenant Services Plan approved by DHCD.

6.14 Housing for Individuals with Disabilities. The Borrower shall designate 18 units for occupancy by households that (a) have at least one member who is disabled and (b) have incomes at or below 50% of area median income ("**Units for Individuals with Disabilities**"). The Borrower agrees to affirmatively market the Units for Individuals with Disabilities during initial lease up of the Project solely to such households until the earlier of: (i) 60 days following lease-up of 80% of all other units in the Project or,

(ii) until 18 units are rented to households with disabilities. Following initial lease-up, Borrower agrees to maintain a waiting list of income-eligible households with disabilities. If at any time any Unit for Individuals with Disabilities becomes vacant, and if fewer than 18 of the Project's units are occupied by households with disabilities, the Borrower agrees to give priority for occupancy of the Units for Individuals with Disabilities to the households with disabilities on the waiting list.

6.15 Subsidy Layering: Prior to Initial Closing, CDA shall have completed a subsidy layering review for the Project. The Borrower shall be required to provide CDA with such information and other documentation as CDA shall require in order to complete the subsidy layering review in accordance with HUD guidelines and requirements. It is a condition of this Commitment that the subsidy layering review permit CDA to issue to HUD a certification, as required by HUD, with respect to the various federal funding sources for the Project.

7. Fees

7.1 Financing Fee. At Initial Closing, the Borrower shall pay DHCD the following amounts as financing fees for the Loans:

(a) RHW: 1.5% of the Loan amount, or $30,000;

(b) PRHP: .5% of the Loan amount, or $3,121.60.

7.2 Closing Fee. The cost to the Borrower for DHCD's closing services is $10,000. This closing fee shall be paid at Initial Closing.

8. Exhibits. The following Exhibits attached hereto are an integral part of this Commitment and are incorporated herein by reference:

Exhibit A	--	Standard Terms and Conditions
Exhibit B	--	Closing Checklist
Exhibit C	--	Project Income Limits

9. Acceptance and Expiration

9.1 If the terms and conditions of this Commitment are acceptable to you, please sign and return two of the enclosed three copies to DHCD within 21 calendar days of the date hereof. Your acceptance shall be effective upon DHCD's receipt of the signed copies, otherwise this Commitment shall expire.

9.2 All preclosing documents must be provided and other conditions of closing must be met within 180 calendar days of the date hereof or DHCD, in its sole discretion, may terminate this Commitment.

9.3 Notwithstanding any other provision of this Commitment, if the Initial Closing does not occur within one year of the date hereof, this Commitment shall terminate, unless DHCD, in its sole discretion, chooses to extend this Commitment by giving written notice of such extension to the Borrower.

We are pleased to extend this Commitment and look forward to working with you.

Sincerely,

Patricia Rynn Sylvester, Director
Multifamily Housing Programs

Approved for form and
legal sufficiency

Assistant Attorney General

Accepted this 31 day of July, 2013

ORCHARD RIDGE RENTAL IV, LLC,
a Maryland limited liability company

By: Pennrose GP, LLC,
a Pennsylvania limited liability company,
its Managing Member

By: _____(SEAL)
Mark H. Dambly
President

BALTIMORE
HOUSING

STEPHANIE
RAWLINGS-BLAKE
Mayor

PAULT GRAZIANO
Executive Director, HABC
Commissioner, HCD

This preliminary term sheet does not constitute a binding commitment to make a loan, but is solely for the purpose of outlining terms. The Department's obligation to make any loan is contingent upon among other things, Board of Estimates approval, execution of a satisfactory commitment letter and loan documents and satisfaction of the Departments regulations and requirements for closing.

February 13, 2013

Pennrose Properties, LLC.
575 S. Charles Street, Suite 104
Baltimore, Maryland 21201
Atten: Mr. Mark Dambly

Re: TERM SHEET FOR A $1,680,000.00 HOME INVESTMENT PARTNERSHIPS PROGRAM LOAN FOR THE NEW CONSTRUCTION OF ORCHARD RIDGE RENTAL PHASE IV

Dear Mr. Dambly:

This notification is to inform you that Baltimore Housing has completed a feasibility and funding analysis for the purposes of providing a portion of the construction funding for the Orchard Ridge Rental Phase IV Apartments located at 4300 Maple Drive and various addresses (The "Project"), which will be undertaken by Pennrose Properties, LLC (The "Borrower"). Based upon this analysis, The Mayor and City Council of Baltimore, acting by and through the Department of Housing and Community Development ("DHCD") is pleased to inform you that it will propose to the Mayor and City Council of Baltimore ("Lender") a loan to the Borrower. Located in the northeast section of Baltimore City, the Orchard Ridge Rental Phase IV Apartments is the new construction of a 64-unit apartment building. Funds provided by Baltimore City will help to finance the new construction effort, which will provide 16 one (1) bedroom, 32 two (2) bedroom and 16 three (3) bedroom rental housing units restricted to residents earning 60% or less of the AMI. Fourteen (14) of the sixty-four units will be set aside for Non Elderly Disabled ("NED") residents and six (6) of the sixty-four units will be set aside for UFAS/LTA residents. These twenty (20) units will have Project Based Housing Choice Vouchers. The remaining forty-four (44) units will be set aside for persons earning 60% or less of the Area Median Income. Upon satisfaction of the conditions set forth below and **subject to the availability of funds,** we propose to recommend approval for a loan from the Mayor and City Council of Baltimore (the "City") in an amount not to exceed $1,680,000.00. This letter does not constitute a commitment on the part of the Lender or the Department. Final approval is subject to the approval of the Board of Estimates of Baltimore City. These terms and conditions are for discussion purposes only. They are not all-inclusive and do not represent a commitment to lend.

1.0 Proposed Loan Terms. The proposed loan terms, which we expect to recommend for making a loan, are as follows:

1.1 Amount of Loan. The recommended loan would be in an amount not to exceed $1,680,000.00. For internal Departmental audit purposes only, the City's HOME Investment Partnerships Program loan shall consist of HOME funds in the amount of $1,500,000.00 and $180,000.00 in Bailey/HOME set aside funds.

1.2 Purpose. The purpose of the loan will be to support a portion of the new construction costs of 64 residential units within the Project that will provide affordable housing to individuals with incomes at or below 60% of AMI. As a result of receiving the City's support, the Borrower has agreed to provide six (6) units that will be targeted and restricted to UFAS/LTA residents. The City and HABC will require at least six (6) units to be restricted for exclusive use for at least forty years in accordance with and meeting the requirements of the Bailey Consent Decree. The borrower has committed to provide not less than six (three 2-bedroom units and three 3-bedroom units) UFAS/LTA units. UFAS units are reserved for families with disabilities who are on an HABC waiting list for public or subsidized housing.

1.3 The borrower shall lease all of the required one-bedroom units to eligible NED residents until the project has fourteen (14) NED residents. A NED refers to a family whose sole member, head of household, or head of household's spouse is a person with a disability who is under age Sixty-two, and which is eligible for a one-bedroom public housing unit or for a two-bedroom public housing unit because a second bedroom is needed for disability-relate reasons, and who is on an HABC waiting list for public or Section 8 subsidized housing. Prior to leasing the NED units, the Borrower shall contact the Housing Authority of Baltimore City ("HABC") to obtain referrals of applicants, who may be assisted under the Enhanced Leasing Assistance Program (the "ELAP Program") and who are eligible to lease one of the NED Units (the NED Applicant"), HABC will continue to refer NED Applicants (through HABC or the ELAP Program) until the Borrower leases an available unit to a NED Applicant.

Once a NED Unit is leased by a NED Applicant, the NED Unit then becomes designated for NED Applicants. The unit is designated for a period of fifteen (15) years after date of last NED unit leased under the Housing Assistance Payments Contract to be entered into by and between HABC and the Borrower (the "HAP Contract").

1.4 Interest Rate and Loan Term. The construction phase shall not exceed fifteen (15) months from the date of closing (the "Construction Loan Period"). During the Construction Loan Period, interest shall be at the rate of zero (0%) percent per annum. During the Permanent Loan Period (defined herein) the interest rate charged will be at the rate of zero (0%) percent per annum. The permanent loan period shall be forty (40) years commencing at the end of the Construction Loan Period (the "Permanent Loan Period"). The method and structure for paying principal and interest payments over the Permanent Loan Period shall be determined through negotiations with the Borrower and based upon final underwriting by Baltimore Housing; provided, however, payments shall be made from any and all available cash flow following payment of all Project expenses, including debt payments on any and all superior loans. The date of the final principal payment during the Permanent Loan Period shall constitute the "Maturity Date". The City's HOME Loan will be non-recourse debt.

1.5 Repayment. The entire principal and any interest shall be due and payable in the event of financing, sale, transfer, conveyance or any encumbrance of the Project or portion thereof without the prior written consent of the Department. Should an event of default occur under the loan documents, interest shall accrue from the date of the default at the prime rate of interest declared by the Wall Street Journal from time to time, plus four percent (P+4%).

1.6 Prepayment. The loan may be prepaid without penalty at any time during the Loan Term. Prepayment however, will not terminate the regulatory restrictions.

1.7 Developer's Fee. The terms and conditions of the payment of developer fees shall be subject to Department review and approval.

1.8 Sources of funds. The Borrower shall have received commitment letters from the following sources in amounts sufficient to cover construction and total project costs not covered by the City's HOME Loan.

Sources of Capital	**Amount**
Tax Exempt Bonds	$ 5,119,530.00
LIHTC Equity	$ 4,486,359.00
CDA/Rental Housing Works	$ 2,000,000.00
Deferred Fee	$ 399, 246.00

1.9 Equity. The Borrower will provide equity to the Project sufficient to cover any costs not included in the construction and permanent financing.

2.0. Covenants and Warranties. Standard covenants and warranties required by the Department For loans of this type and, in addition, such other items as set forth in the Commitment Letter and Loan Documents shall be applicable.

2.1 Deed of Trust. The Borrower shall execute a Deed of Trust and Security Agreement securing the Loan (the "Deed of Trust") that will constitute a valid second lien on the property.

2.2 Expenses. All costs to be paid by the Borrower, which shall be fully documented in the Department's Commitment letter.

2.3 Conditions Precedent to Recommendation for Loan Commitment. The following conditions must be met before the Department will submit a recommendation for commitment approval to the City of Baltimore Board of Estimates. Any exceptions or modifications to the following must be documented and memorialized as an amended agreement to the terms and conditions outlined herein.

(A) The Borrower must provide evidence of any and all other construction and permanent financing sources.

(B) The Borrower agrees to provide evidence of ability to provide insurance policies naming the Mayor and City Council of Baltimore, acting by and through the Department of Housing and Community Development as secured mortgagees, said policies to be effective as of the closing on the Loan.

(C) The Borrower must agree to provide evidence of Davis Bacon Wage Rate compliance in all construction documents. The Borrower must furthermore comply with the reporting requirements of Baltimore City Code Article 5, Subtitle 28 for utilization of Minority and Women Business Enterprise firms during the construction period.

(D) The Borrower must provide proof acceptable to the Department that in carrying out the Project the Borrower has complied with all Federal and Baltimore City requirements with respect to procurement of goods and services.

(E) The Department should be in receipt of and provide approval of a detailed construction cost estimate, a projected schedule of construction draws, draft construction contract, architect's agreement and any and all agreements entered into by the Borrower as deemed necessary by the Department.

(F) The Borrower shall provide evidence of it's' commitment to comply with the Uniform Federal Accessibility Standards (UFAS).

(G) The Loan shall be subject to completion on an appraisal completed by a DHCD approved appraiser at the borrower's expense.

(H) The Department reserves the right to conduct a preconstruction constructability analysis of the plans and budget prior to closing and to inspect the property and work completed prior to funding each draw requisition.

2.4 Other Conditions: The Borrower and all the entities through which the funds will be jointly and severally responsible for the HOME Loan and for compliance with all requirements, obligations and conditions contained in the HOME Act and the enabling regulations found at 24 CFR Part 92 as they may be amended from time to time and which are set forth in a Letter of Commitment and HOME Loan documents.

The work to be performed under the construction contract will be subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended ("Section 3"). The purpose of Section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD assisted projects covered by Section 3, shall, to the greatest extent feasible, be directed to low-and very low income persons; particularly persons who are recipients of HUD assistance for housing.

2. 5 No Material Adverse Change. The Department's obligation to close the proposed loan shall be conditioned upon there being no material adverse change in the financial condition of the Borrower; a default under any financial accommodation between the Borrower, or any individual or entity controlling the Borrower and Lender shall be deemed a material adverse change for purposes of this precondition to closing of the Loan.

2.6 The documentation upon which a recommendation for a firm loan commitment is conditioned must be submitted in acceptable form to the Department **within forty-five (45) days** from the date of this letter. Unless extended in writing for good cause and at the sole discretion of the Department, this preliminary term sheet and the loan application will be canceled, if the required documentation to move forward to firm loan commitment has not been received by the Department.

2. 7 No Entitlement. This term sheet is issued based on a review of the eligibility and feasibility of your request by the Department.

This term sheet should not be construed as a final commitment, offer or legally binding commitment from The City of Baltimore. Final approval of the funding request is contingent upon the availability of funds, evidence of all approvals being obtained, final resolution of all issues, including negotiation of repayment terms and cash flow allocations. **THIS NOTIFICATION IS NOT A COMMITMENT TO MAKE A LOAN AND THE DEPARTMENT WILL NOT BE OBLIGATED TO MAKE A LOAN UNLESS THE CITY OF BALTIMORE'S BOARD OF ESTIMATES HAS GRANTED APPROVAL AND THE COMMISSIONER OF THE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT HAS ISSUED A WRITTEN COMMITMENT LETTER.** The Department will only be obligated to make a loan upon the terms and conditions set forth in a written firm commitment letter.

This proposal represents the entire understanding between the parties with respect to the loan, but does not constitute a commitment to lend. No statements, agreements or representations regarding the loan, whether oral or written, which may have been made to the Borrower, or by the Lender, or by any employee or agent acting on behalf of the Lender, shall be of any force or effect, except to the extent it appears in this proposal and all prior agreements and representations with respect to the Loan are merged herein. Furthermore, this proposal is meant to be a letter advising you of the proposed loan terms. As such it does not include all of the terms and conditions of a Commitment letter and/or the final loan documents. If you feel these basic terms are acceptable, please sign and return this letter to the attention of Mr. James R. Majors, Director, Office of Project Finance. Please note: Upon signing this letter, the Borrower accepts responsibility for all costs associated with this transaction, even in the event it does not close. Once your signed approval is received, staff will commence the necessary due diligence required in issuing a commitment letter.

The HOME Loan shall be of no cost to the City of the Department. All reasonable fees and expenses incurred by the City or the Department in connection with the preparation, negotiation, documentation, closing, administration and execution of the HOME Loan regardless of whether or not the HOME Loan loses shall be the responsibility of the Borrower. These will include, without limitation, legal, collateral examination, construction inspection and other direct out of pocket expenses.

This letter and any offer to provide funding herein shall expire on June 28, 2013and any associated request will need to be reevaluated for support unless waived by Paul T. Graziano, Commissioner. Time is of the essence hereof.

If you have any questions, please contact Mr. James Majors at (410) 396-5562.

Sincerely,

Peter Engel
Deputy Commissioner

PE:JRM

The foregoing terms and conditions are ACCEPTED AND AGREED to by Borrower this 20 day of November, 2013.

Pennrose Properties, LLC.

By: _____
Mr. Mark H. Dambly
President

cc: Paul Graziano
Amy Wilkinson
Jim Majors
Jan Goslee
Warren Woodson
Michelle Porter
Michelle Greene

FINANCIAL STATEMENTS ATTACHMENTS

PENNROSE
We Bring It All Together

June 17, 2015

Mr. Michael Liu, Director
Miami Dade County
Public Housing and Community Development Department
701 NW 1st Court
Miami, FL 33136

Re: Pennrose Development, LLC and Affiliates (Includes Pennrose Properties, LLC)

Dear Mr. Liu:

Please be advised that the current financial position of the above-referenced entities is materially the same as that reflected in the audited financial statements submitted herewith.

Sincerely,

Richard A. Gower, CFO

Pennrose Development, LLC and Affiliates

Consolidated and Combined Financial Statements
(With Supplementary Information)
and Independent Auditor's Report

December 31, 2012 and 2011

Pennrose Development, LLC and Affiliates

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Independent Auditor's Report

To the Members
Pennrose Development, LLC and Affiliates

We have audited the accompanying consolidated and combined financial statements of Pennrose Development, LLC and Affiliates, which comprise the consolidated and combined balance sheet as of December 31, 2012, and the related consolidated and combined statements of operations and comprehensive income, changes in members' equity and cash flows for the year then ended, and the related notes to the consolidated and combined financial statements.

Management's Responsibility for the Consolidated and Combined Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated and combined financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated and combined financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated and combined financial statements referred to above present fairly, in all material respects, the financial position of Pennrose Development, LLC and Affiliates as of December 31, 2012, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

The consolidated and combined financial statements of Pennrose Development, LLC and Affiliates as of December 31, 2011, were audited by other auditors whose report dated May 29, 2012 expressed an unmodified opinion on those statements.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated and combined financial statements as a whole. The accompanying 2012 consolidating and combining information in the supplementary information on pages 34, 35, 38 and 40 is presented for purposes of additional analysis of the consolidated and combined financial statements rather than to present the financial position, results of operations, and cash flows of the individual companies and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to underlying accounting and other records used to prepare the consolidated and combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated and combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated and combined financial statements or to the consolidated and combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated and combined financial statements as a whole. The 2011 supplementary information on pages 36, 37, 39 and 40 was subjected to the auditing procedures applied in the 2011 audit of the basic consolidated and combined financial statements by other auditors, whose report on such information stated that it was fairly stated in all material respects in relation to the 2011 combined and consolidated financial statements as a whole.

CohnReznick LLP

Baltimore, Maryland
June 27, 2013

Pennrose Development, LLC and Affiliates

Consolidated and Combined Balance Sheets

December 31, 2012 and 2011

Assets

	2012	2011
Current assets		
Cash	$ 2,397,101	$ 1,538,441
Development fees receivable	9,759,682	10,475,815
Advanced project costs receivable	2,083,071	3,216,281
Inventory - residential units	-	1,100,853
Due from affiliates	517,114	79,088
Prepaid expenses and other assets	42,553	41,926
Marketable securities	296,734	267,483
Miscellaneous receivables	387,122	373,659
Total current assets	15,483,377	17,093,546
Deposits held in trust		
Tenant security deposits	59,502	61,093
Restricted deposits and funded reserves		
Guaranty deposit collateral account	-	1,073,671
Escrows and reserves	1,375,900	1,495,508
Total restricted deposits and funded reserves	1,375,900	2,569,179
Property and equipment		
Land	4,491,917	4,491,917
Buildings and improvements	48,365,430	48,365,430
Furniture, fixtures and equipment	1,579,234	1,541,844
Construction-in-progress	324,174	302,672
Less accumulated depreciation	(7,655,374)	(6,150,823)
Total property and equipment	47,105,381	48,551,040
Other assets		
Investments in limited partnerships	144,663	193,628
Intangibles, net	780,506	778,101
Advanced project costs - long-term	7,037,062	6,158,769
Total other assets	7,962,231	7,130,498
Total assets	$ 71,986,391	$ 75,405,356

(continued)

Pennrose Development, LLC and Affiliates

Consolidated and Combined Balance Sheets - Continued

December 31, 2012 and 2011

Liabilities and Members' Equity

	2012	2011
Current liabilities		
Note payable - line of credit	$ -	$ 2,200,000
Other notes payable	-	1,947
Current portion of mortgages payable	76,008	2,023,108
Accounts payable and accrued expenses	451,455	386,304
Fair market value interest rate swap	-	48,804
Accrued interest payable - current	8,611	14,467
Total current liabilities	536,074	4,674,630
Deposits and prepayment liabilities		
Buyer deposits	-	1,919
Prepaid rent	11,835	29,280
Tenant security deposits	59,624	61,281
Total deposits and prepayment liabilities	71,459	92,480
Long-term liabilities		
Mortgages payable	21,906,316	21,366,179
Due to affiliates	437,390	428,194
Accrued interest payable	1,894,646	1,470,178
Total long-term liabilities	24,238,352	23,264,551
Total liabilities	24,845,885	28,031,661
Contingencies	-	-
Members' equity		
Members' equity	21,742,778	19,757,090
Noncontrolling interest	25,357,860	27,647,923
Accumulated other comprehensive income (loss)	39,868	(31,318)
Total liabilities and members' equity	$ 71,986,391	$ 75,405,356

See notes to consolidated and combined financial statements

Pennrose Development, LLC and Affiliates

Consolidated and Combined Statements of Operations and Comprehensive Income

Years ended December 31, 2012 and 2011

	2012	2011
Operating income		
Development and consulting fees	$ 12,748,672	$ 14,084,823
Sales - residential units	1,057,400	680,000
Rental income	1,696,766	1,612,469
Total operating income	15,502,838	16,377,292
Operating expenses		
Cost of sales - residential units	1,258,704	921,907
Salaries, payroll taxes and employee benefits	3,527,763	3,476,645
Professional fees	578,942	373,801
Property management fees	116,892	115,923
Rent	27,128	21,498
Miscellaneous taxes and licenses	314,281	298,449
Utilities	400,568	397,064
Office cleaning and other occupancy expenses	103,619	102,220
Publications and subscriptions	-	1,972
Telephone	67,143	73,546
Insurance	136,852	129,397
Real estate taxes	179,504	174,994
Automobile expenses and parking	-	4,489
Travel and entertainment	203,839	129,008
Dues and memberships	20,075	13,722
Repairs and maintenance	214,531	126,480
Advertising and promotion	48,394	33,187
Office supplies and expense	404,393	382,515
Nonrecoverable development expenses	343,122	178,187
Contributions	61,220	48,409
Seminars and continuing education	5,784	7,474
Lease-up expense	89,572	6,626
Depreciation	1,504,551	1,534,338
Amortization	58,014	54,187
Total operating expenses	9,664,891	8,606,038
Operating income	5,837,947	7,771,254
Other income (expenses)		
Income from limited partnerships	17,042	260,297
Interest and other income	28,750	40,138
Interest expense	(758,343)	(884,742)
Total other income (expenses)	(712,551)	(584,307)
Net income	5,125,396	7,186,947
Other comprehensive income (loss)		
Unrealized loss on marketable securities	22,382	(12,486)
Unrealized gain on interest rate swap	48,804	86,305
Comprehensive income	5,196,582	7,260,766
Net comprehensive income (loss) allocated to noncontrolling interest	(2,105,863)	(1,942,958)
Net comprehensive income (loss) allocated to members	$ 7,302,445	$ 9,203,724

See notes to consolidated and combined financial statements

Pennrose Development, LLC and Affiliates

Consolidated and Combined Statements of Changes in Members' Equity

Years ended December 31, 2012 and 2011

	Members' Equity	Noncontrolling Interest	Accumulated Other Comprehensive Income (Loss)	Total
Beginning, December 31, 2010	$ 16,672,563	$ 29,286,794	$ (105,137)	$ 45,854,220
Net income (loss)	9,216,210	(2,029,263)	-	7,186,947
Other comprehensive income (loss)				
Unrealized loss on marketable securities	-	-	(12,486)	(12,486)
Unrealized gain on interest rate swap	-	-	86,305	86,305
Contributions	-	434,392	-	434,392
Distributions	(6,131,683)	(44,000)	-	(6,175,683)
Ending, December 31, 2011	19,757,090	27,647,923	(31,318)	47,373,695
Net income (loss)	7,381,459	(2,256,063)	-	5,125,396
Other comprehensive income (loss)				
Unrealized gain on marketable securities	-	-	22,382	22,382
Unrealized gain on interest rate swap	-	-	48,804	48,804
Distributions	(5,395,771)	(34,000)	-	(5,429,771)
Ending, December 31, 2012	$ 21,742,778	$ 25,357,860	$ 39,868	$ 47,140,506

See notes to consolidated and combined financial statements

Pennrose Development, LLC and Affiliates

Consolidated and Combined Statements of Cash Flows

Years ended December 31, 2012 and December 31, 2011

	2012	2011
Cash flows from operating activities		
Net income	$ 5,125,396	$ 7,186,947
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation	1,504,551	1,534,338
Amortization	58,014	54,187
Gain on sale of marketable securities	-	(2,689)
Income from limited partnerships	(17,042)	(260,297)
(Increase) decrease in assets		
Miscellaneous receivables	(13,463)	(97,974)
Development fees receivable	716,133	(1,180,728)
Prepaid expenses and other assets	(627)	(12,657)
Inventory - residential units	1,100,853	776,324
Tenant security deposits	1,591	(1,121)
Investments in limited partnerships	64,730	-
Increase (decrease) in liabilities		
Accounts payable and accrued expenses	65,151	(181,995)
Tenant security deposits	(3,576)	27,261
Prepaid rent	(17,445)	-
Accrued interest payable	418,612	431,882
Net cash provided by operating activities	9,002,878	8,273,478
Cash flows from investing activities		
Investment in fixed assets - net of refunds	(58,892)	36,114
Purchase of marketable securities	(5,592)	(7,461)
Sale of marketable securities	-	35,739
Advanced project costs receivable	254,917	(215,022)
Net withdrawals from restricted deposits and funded reserves	1,193,279	206,181
Due from affiliates	(438,026)	(9,800)
Net cash provided by investing activities	945,686	45,751
Cash flows from financing activities		
Repayment of mortgages payable	(3,392,668)	(1,493,211)
Proceeds from mortgages payable	1,985,705	21,019
Proceeds from line of credit	300,000	-
Repayment of line of credit	(2,500,000)	(1,000,000)
Due to affiliate	9,196	(28,232)
Distributions	(5,395,771)	(6,131,683)
Note payable payments	(1,947)	(4,407)
Noncontrolling interest contributions	-	434,392
Noncontrolling interest distributions	(34,000)	(44,000)
Loan costs paid	(60,419)	-
Net cash used in financing activities	(9,089,904)	(8,246,122)
Net increase in cash	858,660	73,107
Cash, beginning	1,538,441	1,465,334
Cash, end	$ 2,397,101	$ 1,538,441
Supplemental disclosure of cash flow information		
Cash paid for interest	$ 388,535	$ 452,860

See notes to consolidated and combined financial statements

Note 1 - Organization and Nature of Operations

Pennrose Development, LLC (PDLLC) and Affiliates (collectively, the Company) was formed under the laws of the Commonwealth of Pennsylvania. The Company is involved in real estate rentals, for sale activities and provides development services. The Company provides these services for limited partnerships and limited liability companies in which it is a general partner or a member, and for affiliated companies under various terms and conditions. The Company operates in various states, including Pennsylvania, New Jersey, New York, Maryland, Connecticut, Alabama, Ohio, and Tennessee.

The Company holds interests in limited partnerships and limited liability companies which are governed by a limited partnership or operating agreement and Internal Revenue Code Section 42. Each building of the respective projects has qualified for and been allocated low-income housing tax credits pursuant to Internal Revenue Code Section 42, which regulates the use of the project as to occupant eligibility and unit gross rent, among other requirements. Each building of the project must meet the provisions of these regulations during each of 15 consecutive years. Failure to comply with occupant eligibility and/or unit gross rent, or to correct noncompliance within a specified time period could result in recapture of previously taken low-income housing tax credits plus interest. Such potential noncompliance may require an adjustment to the contributed capital by the investor limited partner or member. In addition, the limited partnerships and limited liability companies have executed Deeds of Easement and Restrictive Covenants for Extended Low-income Occupancy, which require the utilization of the respective projects pursuant to Section 42 for an amount of time ranging from 30 to 40 years, even if the limited partnerships or limited liability companies dispose of the projects.

By agreement, the Company is to be terminated by September 2, 2054 unless other events have occurred as defined in the operating agreement.

Note 2 - Summary of Significant Accounting Policies

Principles of Consolidation and Combination

The consolidated and combined financial statements include the financial statements of Pennrose Development, LLC, the operating entities that have been consolidated, and entities that are combined with the accounts of the affiliates with common control. All significant intercompany balances and transactions have been eliminated.

The following affiliated entity is included in the combined group:

- Pennrose Properties, LLC

The following affiliated entities are included in the consolidated group:

- PHQ, LLC
- Summerset Condominium Limited Partnership
- East Camden Associates II, LLC
- Pennrose Formation, LLC
- Pennrose Formation Mobile, LLC

PHQ, LLC is the entity formed for the purpose of owning the office building being leased to the Company.

Summerset Condominium Limited Partnership was formed for the purpose of developing, selling, and renting market rate condominiums.

East Camden Associates II, LLC owns a general partner interest in Westfield Acres Urban Renewal Associates II, LP and Westfield Acres Urban Renewal Associates III, LP. East Camden Associates II, LLC is deemed to be the primary beneficiary; therefore, the financial activity of Westfield Acres Urban Renewal Associates II, LP and Westfield Acres Urban Renewal Associates III, LP has been consolidated into East Camden Associates II, LLC.

Pennrose Formation, LLC owns a managing member interest in Glenbrook at Oxmoor I, LLC, Glenbrook at Oxmoor II, LLC, and Glenbrook at Oxmoor III, LLC, and is deemed to be the primary beneficiary; therefore, the financial activity of these entities have been consolidated into Pennrose Formation, LLC.

Pennrose Formation Mobile, LLC is the developer of various properties in Mobile, Alabama.

Investment in Limited Partnerships and LLCs

The Company holds interests of 50% or less in various limited partnerships and limited liability companies which are accounted for using the equity method. Under the equity method of accounting, the initial investment is recorded at cost, and is subsequently increased by the investors' share of earnings, and decreased by the investors' share of losses and distributions.

The Company regularly assesses the carrying value of its investment in the limited partnerships and limited liability companies. If the carrying value is considered to exceed the estimated value derived by management (which contemplates low-income housing tax credits and potential residual value, among other things), the Company reduces its investment in the limited partnership or limited liability company and reduction in equity in loss of investment.

The entities that the Company invests in are considered to be variable interest entities; however, the Company is not considered to be the primary beneficiary and, therefore, has not included these in the consolidation. The Company's maximum exposure to loss as a result of its involvement with these variable interest entities is equal to their investment balance as of December 31, 2012 and 2011.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Inventory

Inventory includes the cost of acquisition and construction of a project that is being developed as for sale condominiums carried at the lower of cost or market value. Costs capitalized include the direct costs related to this construction among other items including interest and taxes. Sales of these residential units are recognized when the Company conveys title to the buyer in full settlement of the sales price. The related cost of sales is relieved from inventory at settlement.

Property and Equipment

Buildings and improvements, furniture, fixtures and equipment are recorded at cost and depreciated using the straight-line method over estimated useful lives (which range from five to forty years). Repairs and maintenance are charged against earnings as incurred.

Impairment of Long-Lived Assets

The Company reviews its rental property for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. When recovery is reviewed, if the undiscounted cash flows estimated to be generated by the property are less than its carrying amount, management

compares the carrying amount of the property to its fair value in order to determine whether an impairment loss has occurred. The amount of the impairment loss is equal to the excess of the asset's carrying value over its estimated fair value. No impairment loss has been recognized during the years ended December 31, 2012 and 2011.

Deferred Fees and Amortization

Financing fees are amortized over the term of the loan using the straight-line method. Accounting principles generally accepted in the United States of America require that the effective yield method be used to amortize financing costs; however, the effect of using the straight-line method is not materially different from the results that would have been obtained under the effective yield method.

Costs related to obtaining low-income housing tax credits are being amortized over the mandatory 15-year compliance period.

Amortization is described further in note 7.

Development Fees Receivable, Tenant Receivables, and Bad Debts

Development fees, advanced project costs, and tenant receivables are charged to bad debt expense when they are determined to be uncollectible based upon a periodic review of accounts by management. Accounting principles generally accepted in the United States of America require that the allowance method be used to recognize bad debts; however, the effect of using the direct write-off method is not materially different from the result that would have been obtained under the allowance method.

Development and Consulting Fees

The Company receives fees for the performance of development and consulting services for properties which it develops on behalf of sponsored entities. The fees are generally earned ratably over the development period in accordance with the respective fee agreements. The payment of the fees is funded by the proceeds of investor capital contributions to the entities or from the entities' cash flow or capital proceeds. For the years ended December 31, 2012 and 2011, the amount of development and consulting fees revenue earned under fee agreements with related parties represents 99.94% and 96.07%, respectively, of total revenue.

Rental Income

Rents are recognized as income on the accrual basis as they are earned. Advance receipts of rental income are deferred and classified as liabilities until earned. All leases between the Company and tenants of the property are considered to be operating leases.

Income Taxes

The Companies and the Partnership have elected to be treated as pass-through entities for income tax purposes and, as such, are not subject to income taxes. Rather, all items of taxable income, deductions, and tax credits are passed through to, and are reported by, their owners on their respective income tax returns. The Companies' and the Partnership's federal tax status as pass-through entities are based on their legal status as limited liability companies or limited partnership. Accordingly, the Companies and the Partnership are not required to take any tax positions in order to qualify as pass-through entities. The Companies and the Partnership are required to file, and do file, tax returns with the Internal Revenue Service and other taxing authorities. Accordingly, these financial statements do not reflect a provision for income taxes and the Companies and the Partnership have no other tax positions which must be considered for disclosure. Income tax returns filed by the Company are subject to examination by the Internal Revenue Service for a period of three years. While no income tax returns are currently being examined by the Internal Revenue Service, tax years since 2009 remain open.

Investments

The Company has accounted for marketable securities in accordance with accounting guidance for certain investments in equity securities. The Company's marketable securities are classified as available-for-sale and are carried at fair value determined by quoted market prices (market approach) as of the date nearest the consolidated and combined balance sheet date. Unrealized holding gains and losses are included as a separate component of members' equity as other accumulated comprehensive gain or loss.

Fair Value Measurements

The accounting standard for fair value measurement and disclosure defines fair value, establishes a framework for measuring fair value, and provides for expanded disclosure about fair value measurements. The accounting standard was applied to the Company's financial assets and liabilities effective January 1, 2008, and to certain nonfinancial assets and liabilities effective January 1, 2009. Fair value is defined by the accounting standard for fair value measurement and disclosures as the exchange price that would be received for an asset or paid to transfer a liability

(exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. It also establishes a fair value hierarchy that prioritizes observable and unobservable inputs used to measure fair value into three levels.

There are three general valuation techniques that may be used to measure the fair value, as described below:

- Market approach (Level One) - Uses prices and other relevant information generated by market transactions involving identical or comparable assets and liabilities. Prices may be indicated by pricing guides, sale transactions, market trades, or other sources;

- Cost approach (Level Two) - Based on the amount that currently would be required to replace the service capacity of an asset (replacement cost); and

- Income approach (Level Three) - Uses valuation techniques to convert future amounts to a single present amount based on current market expectations about the future amounts (includes present value techniques and option-pricing models). Net present value is an income approach where a stream of expected cash flows is discounted at an appropriate market interest rate.

In instances where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, the fair value measurement will fall within the lowest level input that is significant to the fair value measurement in its entirety.

Derivative Instruments and Hedging Activities

During the years ended December 31, 2011 and 2012, the Company had one interest rate swap outstanding that was used to mitigate the economic impact of changes in interest rates. The Company did not enter into the derivative transaction for trading or other speculative purposes. The swap is designated as a cash flow hedge and is being used to offset the risk of changes in cash flows associated with benchmark interest payments on a variable rate mortgage loan. Interest rate swap contracts designated and qualifying as cash flow hedges are reported at fair value. Accordingly, the fair value of the interest rate swaps will be recognized as a component of noncontrolling interest for the year ended December 31, 2011. As of December 31, 2011, an interest rate swap gain of $86,305 is included in noncontrolling interest. During 2012, the interest rate swap was satisfied in full and an unrealized gain of $48,404 was recognized as a component of minority interest.

Compensated Absences

Employees of the Company are entitled to paid vacation. It is impractical to estimate the amount of compensation for future absences and, accordingly, no liability has been recorded in the accompanying financial statements. The Company's policy is to recognize these absences when actually paid to employees. Management believes these unrecorded costs are not material to these financial statements.

Advertising Costs

Advertising costs are charged to operations when incurred.

Variable Interest Entities

The Company is the developer and the co-guarantor of obligations under partnership and loan documents of limited partnerships formed since the Company's inception for the purpose of constructing, owning, and operating low-income apartment complexes of various sizes. The Company's developer fees receivable and the Company's guarantees of obligations under the partnership agreements represent variable interests in affiliated low-income housing tax credit properties which have been determined to be variable interest entities. The aggregate interests of the Company and various affiliates caused the related party group to be the primary beneficiaries of these variable interest entities; however, the Company is not considered the party most closely associated with the entities and, therefore, has not consolidated the variable interest entities.

As of December 31, 2012, the Company's maximum exposure to loss as a result of its involvement with these variable interest entities is equal to the outstanding subordinate loans receivable in the amount of $9,120,133, fees receivable in the amount of $9,759,682, and the aggregate exposure under various guarantees.

Note 3 - Development Fees Receivable

The Company has entered into fee agreements, primarily with related parties, for the development of real estate. Such fees are generally earned over the construction period and payable from development sources and cash flow of the developing entity. Fees are only recognized to the extent earned and payment is to be made from available development sources. Due to the contingent nature of payment, any fees expected to be paid from cash flow are not recognized until payment is received. As of December 31, 2012 and 2011, the amount of development fees receivable and earned under fee agreements with related parties represents 100% and 98.99%, respectively. The total estimated amount of deferred development fees earned but not recognized as revenue as of December 31, 2012 and 2011 is $8,501,551 and $11,138,973, respectively.

Note 4 - Advanced Project Costs

Advanced project costs represent direct project costs for future developments and advances to affiliated entities which have projects in various stages of the development process. Such costs are recovered either from mortgage or syndication proceeds when closing occurs, with interest, which is earned at the rate of 15% per annum. Due to the uncertainty in regarding the timing of the payments, the Company recognizes the revenue when it is received. Direct project costs and expenses on ventures that do not materialize within a reasonable length of time are charged to expense.

Note 5 - Related Party Transactions

During the years ended December 31, 2012 and 2011, Pennrose Development, LLC advanced funds to affiliates. These advances do not bear interest and are payable on demand. As of December 31, 2012 and 2011, $517,114 and $79,088, respectively, remain receivable.

In conjunction with the development of Westfield Acres Urban Renewal Associates II, LP, the developers collectively earned a fee in the amount of $1,085,000. As of December 31, 2012 and 2011, $739,949 remains payable, of which $620,934 is payable to Pennrose Development, LLC and was eliminated in consolidation. The remaining amount payable of $119,015 is included in due to affiliates.

In conjunction with the development of Westfield Acres Urban Renewal Associates III, LP, Pennrose Development, LLC earned a fee in the amount of $669,013. As of December 31, 2012 and 2011, $11,736 remains payable and was eliminated in consolidation.

In conjunction with the development of Glenbrook at Oxmoor I, LLC, the developers collectively earned a fee in the amount of $2,244,880. As of December 31, 2012 and 2011, $280,610 remains payable and is included in due to affiliates.

Pennrose Development, LLC advanced funds to Summerset Condominium Limited Partnership. These funds are noninterest bearing and due on demand. As of December 31, 2012 and 2011, $-0- and $80,550, respectively, remain receivable and were eliminated in consolidation.

An affiliate advanced funds to Glenbrook at Oxmoor II, LLC. These funds are noninterest bearing and due on demand. As of December 31, 2012 and 2011, $32,155 and $24,159, respectively, remain payable and are included in due to affiliates.

An affiliate advanced funds to Glenbrook at Oxmoor III, LLC. These funds are noninterest bearing and due on demand. As of December 31, 2012 and 2011, $5,610 and $4,410, respectively, remain payable and are included in due to affiliates.

Westfield Acres Urban Renewal Associates II, LP contracted with Pennrose Management Company, an affiliate, to manage the day-to-day operations of the property. Under the terms of the agreement, Pennrose Management Company is entitled to receive a fee equal to $41 per unit per month multiplied by the percentage of units occupied as compensation for its services. For the years ended December 31, 2012 and 2011, $34,973 and $35,506, respectively, were incurred under the contract. As of December 31, 2012 and 2011, $44,059 and $27,318, respectively, remain payable and are included in accounts payable and accrued expenses.

Westfield Acres Urban Renewal Associates III, LP contracted with Pennrose Management Company, an affiliate, to manage the day-to-day operations of the property. Under the terms of the agreement, Pennrose Management Company is entitled to receive a fee equal to $41 per unit per month multiplied by the percentage of units occupied as compensation for its services. For the years ended December 31, 2012 and 2011, $36,367 and $36,080, respectively, were incurred under the contract. As of December 31, 2012 and 2011, $3,972 and $41, respectively, were overpaid and are included in accounts payable and accrued expenses.

Glenbrook at Oxmoor I, LLC contracted with Pennrose Management Company, an affiliate of the managing member, to manage the day-to-day operations of the property of the property for a fee equal to 6% of the maximum imputed tax credit rents (subject to certain exclusions) as compensation for its services. For the years ended December 31, 2012 and 2011, $45,552 and $44,337, respectively, were incurred under the contract. As of December 31, 2012 and 2011, $8,838 and $8,337, respectively, remain payable and are included in accounts payable and accrued expenses.

Note 6 - Investment in Limited Partnerships and Limited Liability Companies

Pennrose Properties, LLC has investments in various affiliated partnerships and limited liability companies that they account for under the equity method. Total investments in these affiliated entities at December 31, 2012 and 2011 are as follows:

Entity	%	Investment at 12/31/2012	Investments eliminated in consolidation	Total
Bradhurst 100 Development, LLC	50%	$ -	$ -	$ -
Transit Village Associates, LLC	49.5%	$ -	-	-
200 Bradhurst Developers, LLC	50%	-	-	-
Sutton Garage, LLC	50%	(1,500)	-	(1,500)
Uplands Visionaries, LLC	35%	155,134	-	155,134
East Camden Associates II, LLC	83.75%	(361)	361	-
Summerset Condominium, LP	75%	-	-	-
Pennrose-Formation, LLC	70%	(24,300)	24,300	-
Uni-Penn NJ, LLC	50%	(8,971)	-	(8,971)
		$ 120,002	$ 24,661	$ 144,663

Entity	%	Investment at 12/31/2011	Investments eliminated in consolidation	Total
Bradhurst 100 Development, LLC	50%	$ -	$ -	$ -
200 Bradhurst Developers, LLC	50%	-	-	-
Sutton Garage, LLC	50%	(414)	-	(414)
Uplands Visionaries, LLC	35%	202,923	-	202,923
East Camden Associates II, LLC	83.75%	(313)	313	-
Summerset Condominium, LP	75%	397,346	(397,346)	-
Pennrose-Formation, LLC	70%	(24,237)	24,237	-
Uni-Penn NJ, LLC	50%	(8,881)	-	(8,881)
		$ 566,424	$ (372,796)	$ 193,628

Summarized financial information of the above entities as of December 31, 2012 and 2011 follows:

Summarized Balance Sheets

Assets

	2012	2011
Cash	$ 3,950,941	$ 2,814,690
Receivables	3,319,389	6,203,837
Restricted deposits and funded reserves	2,929,477	1,416,254
Investment in property, including construction-in-progress	344,915,228	72,772,461
Other assets	3,990,830	1,672,125
Total assets	$ 359,105,865	$ 84,879,367

Liabilities and Equity

Mortgages	$ 203,515,933	$ 50,374,991
Other liabilities	25,469,043	4,247,934
Equity	130,120,889	30,256,442
Total liabilities and equity	$ 359,105,865	$ 84,879,367

Summarized Statements of Operations

	2012	2011
Revenue	$ 14,931,669	$ 2,900,012
Expenses	18,501,551	4,235,398
Net (loss) income	$ (3,569,882)	$ (1,335,386)

Note 7 - Intangibles

At December 31, 2012 and 2011, intangibles are comprised of the following:

Westfield Acres Urban Renewal Associates III, LP

	Method	Period	2012	2011
Mortgage costs	Straight-line	50 years	$ 54,500	$ 54,500
Less accumulated amortization			6,177	5,087
			$ 48,323	$ 49,413
Tax credit fees	Straight-line	15 years	$ 223,947	$ 223,947
Less accumulated amortization			84,603	69,673
			$ 139,344	$ 154,274

Westfield Acres Urban Renewal Associates II, LP

	Method	Period	2012	2011
Mortgage costs	Straight-line	30 years	$ 158,735	$ 158,735
Less accumulated amortization			27,337	22,046
			$ 131,398	$ 136,689
Tax credit fees	Straight-line	15 years	$ 294,692	$ 294,692
Less accumulated amortization			98,777	79,131
			$ 195,915	$ 215,561

Glenbrook at Oxmoor I, LLC

	Method	Period	2012	2011
Mortgage costs	Straight-line	40 years	$ 94,623	$ 94,623
Less accumulated amortization			8,774	6,409
			$ 85,849	$ 88,214
Tax credit fees	Straight-line	15 years	$ 162,973	$ 162,973
Less accumulated amortization			39,888	29,023
			$ 123,085	$ 133,950

PHQ LLC

	Method	Period	2012	2011
Mortgage costs	Straight-line	5 years	$ 60,419	$ -
Less accumulated amortization			3,827	-
			$ 56,592	$ -

Annual amortization expense for each of the next five years will be $66,271.

Note 8 - Restricted Deposits and Funded Reserves

Pursuant to various agreements, certain sums of monies are required to be placed on restricted deposit. The withdrawal of these funds is subject to approval. Restricted deposits and funded reserves are made up of the following as of December 31, 2012 and 2011:

	2012	2011
PHQ, LLC		
Guaranty deposit collateral account	$ -	$ 1,073,671
Replacement reserve	$ 82,461	$ 80,257

	2012	2011
Westfield Acres Urban Renewal Associates II, LP		
Replacement reserve	$ 42,379	$ 58,252
Operating reserve	$ 242,982	$ 246,811
Supportive service escrow	$ 230,818	$ 260,577
Westfield Acres Urban Renewal Associates III, LP		
Replacement reserve	$ 39,931	$ 54,825
ACC reserve	$ 298,750	$ 240,473
Summerset Condominium Limited Partnership		
Working capital escrow	$ -	$ 1,919
Glenbrook at Oxmoor I, LLC		
Replacement reserve	$ 75,007	$ 45,003
Mortgage escrows	$ 49,751	$ 124,588
Affordability reserve	$ 137,429	$ 137,335
Operating reserve	$ 176,392	$ 245,468

Note 9 - Marketable Securities

Distributions earned by a shareholder are being retained by the Company and have been invested in marketable securities that are classified as available-for-sale. The terms of the restricted membership interest agreement stipulate that the Company will not withdraw or encumber the funds, subject to the provision that the funds may be available to satisfy the claims of unsecured general creditors of the Company. The following table presents the Company's marketable securities that were measured at fair value on a recurring basis as of December 31, 2012 and 2011:

	Estimated fair value at 12/31/2012	Gains in accumulated other comprehensive income (loss)	Losses in accumulated other comprehensive income (loss)
Marketable securities	$ 296,734	$ 39,868	$ -
Securities held less than 1 year	$ -	$ -	$ -
Securities held more than 1 year	296,734	39,868	-
	$ 296,734	$ 39,868	$ -

	Estimated fair value at 12/31/2011	Gains in accumulated other comprehensive income (loss)	Losses in accumulated other comprehensive income (loss)
Marketable securities	$ 267,483	$ 17,486	$ -
Securities held less than 1 year	$ -	$ -	$ -
Securities held more than 1 year	267,483	17,486	-
	$ 267,483	$ 17,486	$ -

Fair values of investments measured on a recurring basis are as follows:

	Quoted prices in market approach at 12/31/2012	Significant other cost approach	Unobservable income approach	Total
Marketable securities	$ 296,734	$ -	$ -	$ 296,734

	Quoted prices in market approach at 12/31/2011	Significant other cost approach	Unobservable income approach	Total
Marketable securities	$ 267,483	$ -	$ -	$ 267,483

Note 10 - Line of Credit

The Company has established a line of credit with Luzerne Bank, which consists of a revolving portion for short term borrowings for working capital needs of $8,000,000. Interest varies with the Wall Street Journal Prime Rate of Interest, but can at no time be less than 4.0% per annum. Interest on the loan shall be due monthly, and the principal is due on demand along with any accrued interest and charges. The line of credit is available until October 31, 2013 at which time a request for renewal may be submitted. The line of credit is secured by all accounts receivable, furniture, fixtures and equipment and general intangibles of the Company as well as the guaranty of the Company's members. During the years ended December 31, 2012 and 2011, interest expense was $113,476 and $170,944, respectively. As of December 31, 2012 and 2011, the outstanding principal balance is $-0- and $2,200,000, respectively.

Note 11 - Mortgages Payable

As of December 31, 2012 and 2011, mortgages payable are comprised of the following:

Entity	Lender Name	Total Commitment	Maturity Date	Interest Rate	Security/ Guaranty	Payment Terms	Outstanding Balance 12/31/2012	Outstanding Balance 12/31/20111
PHQ, LLC	Wells Fargo Bank, N.A.	$ 1,985,705	7/12/2017	One-Month LIBO Rate (2.95%)	Note A	Monthly payments of $5,367	$ 1,958,870	$ -
PHQ, LLC	Wachovia Bank, N.A	2,250,000	6/1/2012	LIBOR plus 2.25% (2.51% at December 31,	Note A	Amortizing	-	2,009,910
PHQ, LLC	Richard K. Barnhart and Mark H.	554,500	5/16/2045	0.50%	Note A	Due at maturity	544,500	544,500
PHQ, LLC	Wachovia Bank, N.A	1,073,671	5/16/2045	1.00%	Note B	Interest is due monthly; principal is due at maturity	-	1,073,671
PHQ, LLC	Richard K. Barnhart and Mark H.	259,829	5/16/2045	0.50%	Note A	Due at maturity	259,829	259,829
Summerset Condominium Limited Partnership	First Niagara	1,150,000	9/29/2013	5.00%	Note C	Monthly payments of interest of $3,688	-	264,705
Summerset Condominium Limited Partnership	Urban Redevelopment Authority of Pittsburgh (URA)	252,000	Upon sale of final unit	0.00%	Note C	Payment of $7,000 upon each sale	-	21,000
Westfield Acres Urban Renewal Associates II, LP	New Jersey Housing and Mortgage Finance Agency (NJHMFA)	2,000,000	12/1/2046	1.00%	Note C	Annual repayments made from 25% of available cash flow; any unpaid amounts due at maturity	2,000,000	2,000,000

Entity	Lender Name	Total Commitment	Maturity Date	Interest Rate	Security/ Guaranty	Payment Terms	Outstanding Balance 12/31/2012	Outstanding Balance 12/31/20111
Westfield Acres Urban Renewal Associates II, LP	Housing Authority of the City of Camden	2,184,428	11/2/2057	1.00% compounded annually	Note C	Due at maturity	2,184,428	2,184,428
Westfield Acres Urban Renewal Associates II, LP	Neighborhood Preservation Balanced Housing Program, NJDCA	2,039,437	12/1/2057	1.00% compounded annually	Note C	Annual repayments made from 50% of available cash flow; any unpaid amounts due at maturity	2,039,437	2,039,437
Westfield Acres Urban Renewal Associates II, LP	Federal Home Loan Bank	360,000	11/1/2057	0%	Note C	Due at maturity	360,000	360,000
Westfield Acres Urban Renewal Associates III, LP	Housing Authority of the City of Camden - HOPE VI	747,729	6/1/2057	4.38% compounded annually	Note C	Due at maturity	747,729	747,729
Westfield Acres Urban Renewal Associates III, LP	Neighborhood Preservation Balanced Housing Program, NJDCA	2,576,681	6/1/2057	1.00% compounded annually	Note C	Due at maturity	2,613,681	2,613,681
Westfield Acres Urban Renewal Associates III, LP	Federal Home Loan Bank	365,000	6/1/2057	0%	Note C	Due at maturity	365,000	365,000
Glenbrook at Oxmoor I, LLC	Centerline Mortgage Partners, Inc.	1,315,000	6/1/2040	7.61%	Note C	Monthly payments of principal and interest of $9,294	1,287,788	1,299,196
Glenbrook at Oxmoor I, LLC	Housing Authority of the Birmingham District - HOPE VI	6,476,532	6/1/2059	4.02% compounded annually	Note C	Annual repayments made from 50% of available cash flow; any unpaid amounts due at maturity	6,476,532	6,476,532

Entity	Lender Name	Total Commitment	Maturity Date	Interest Rate	Security/ Guaranty	Payment Terms	Outstanding Balance 12/31/2012	Outstanding Balance 12/31/20111
Glenbrook at Oxmoor II, LLC	Housing Authority of the Birmingham District	613,454	At the earliest of the first disbursement of a construction or permanent loan from the Housing Authority of the Birmingham District, the date on which the Authority is advised that the development phase of the project has been abandoned, or the date on which the master development agreement is terminated.	0.00%	Note C	Due at maturity	206,800	191,939
Glenbrook at Oxmoor II, LLC	Housing Authority of the Birmingham District - HOPE VI	460,533	At the earliest of the disbursement of the construction/permanent loan or 11/24/2010	0.00%	Notes C and D	Due at maturity	460,533	460,533
Glenbrook at Oxmoor III, LLC	Housing Authority of the Birmingham District - HOPE VI	129,468	At the earliest of the first disbursement of a construction or permanent loan from the Housing Authority of the Birmingham District, the date on which the Authority is advised that the development phase of the project has been abandoned, or the date on which the master development agreement is terminated.	0.00%	Note C	Due at maturity	16,664	16,664

Entity	Lender Name	Total Commitment	Maturity Date	Interest Rate	Security/ Guaranty	Payment Terms	Outstanding Balance 12/31/2012	Outstanding Balance 12/31/20111
Glenbrook at Oxmoor III, LLC	Housing Authority of the Birmingham District - HOPE VI	460,533	At the earliest of the disbursement of the construction/permanent loan or 11/24/2010	0.000%	Notes C and D	Due at maturity	460,533	460,533
							$ 21,982,324	$ 23,389,287

Note A: Guaranteed by PDLLC and collateralized by a security interest in all assets of PHQ, LLC.
Note B: Guaranteed by PDLLC and secured by first priority interest in guaranty deposit account.
Note C: Collateralized by the real property of the respective company or partnership.
Note D: Management is currently negotiating an additional 36-month extension.

Aggregate maturities of the mortgages payable for the next five years and thereafter are as follows:

2013	$ 76,008
2014	78,170
2015	82,102
2016	86,252
2017	1,691,970
Thereafter	19,966,254
Less current portion	(76,008)
Long-term mortgages payable	$ 21,906,316

Note 12 - Swap Agreement

As of December 31, 2011, the unrealized gain on the interest rate swap of $86,305 is classified within the unobservable income approach of the fair value hierarchy. The following table presents the financial liability that the Company measured at fair value as of December 31, 2011:

2011	Quoted prices in market approach	Significant other cost approach	Unobservable income approach	Total
Interest rate swap - a Facility Senior Loan	$ -	$ 48,804	$ -	$ 48,804

Note 13 - Note Payable

The Company obtained a note payable from Ford Motor Credit in the amount of $16,192 for transportation equipment. The note bears interest at 8.29% and is secured by the transportation equipment. Beginning June 11, 2008, monthly principal and interest payments are due in the amount of $397. The note matured on May 11, 2012. Interest expense for the years ended December 31, 2012 and 2011 was $40 and $361, respectively. During 2012 and 2011, the Company made principal payments aggregating $1,947 and $4,407, respectively, resulting in an outstanding balance of $-0- and $1,947, respectively, at December 31, 2012 and 2011.

Note 14 - Concentration of Credit Risk

The Company maintains its cash accounts at multiple financial institutions. At times, these balances may exceed the federal insurance limits. The Company has not experienced any losses with respect to its bank balances in excess of government provided insurance. Management believes that no significant concentration of credit risk exists with respect to these cash balances at December 31, 2012 and 2011.

Note 15 - Contingencies

The Company has provided various co-guarantees in connection with the development of real estate for affiliated entities which include development deficits, rent-up and operating deficits. The amounts obligated under these guarantees are limited by amount and period of time. Any required funding of development cost overruns has been recognized as an increase in deferred development fee, which has not been reported as revenue in these financial statements. For the years ended December 31, 2012 and 2011, the Company has not been obligated to fund any significant operating deficits under these guarantees.

As developer, the Company has posted letters of credit to provide for potential future working capital needs and various other requirements associated with the development of various properties in the amount of $529,606 and $778,458, respectively, as of December 31, 2012 and 2011.

As developer, the Company had guaranteed predevelopment and construction loan commitments of $230,458,566 for affiliated entities at December 31, 2012. As of December 31, 2012 and 2011, the amount outstanding under the predevelopment and construction loans is $150,169,997 and $115,133,026, respectively.

Note 16 - Lease Agreements

Rental Income

PDLLC also subleases a portion of the property to Pennrose Management Company, an affiliated entity. Under the terms of the lease, Pennrose Management Company is obligated to pay a fixed monthly base rent of $8,005, along with an allocation equal to 37.73% of costs such as utilities, maintenance and office cleaning through September 30, 2015. For the years ended December 31, 2012 and 2011, rental income earned was $195,138 and $208,991, respectively.

Note 17 - Other Disclosures of Information Eliminated in Consolidation - Lease Agreement

Upon relocating the Philadelphia office to the current headquarters, which is owned by PHQ, LLC, an affiliated entity, an amended lease agreement commenced on May 2, 2005. Under the terms of the lease, PDLLC is obligated to pay a fixed monthly base rent of $21,218 through August 31, 2030 to PHQ, LLC. The lease payment and corresponding rental income was eliminated during consolidation and therefore not reflected in the consolidated and combined statements of operations.

Minimum future rentals for the next five years are as follows:

2013	$ 254,613
2014	254,613
2015	254,613
2016	254,613
2017	254,613

Note 18 - Subsequent Events

Events that occur after the consolidated and combined balance sheet date but before the consolidated and combined financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidences about conditions that existed at the consolidated and combined balance sheet date are recognized in the accompanying consolidated and combined financial statements. Subsequent events which provide evidence about conditions that existed after the consolidated and combined balance sheet date require disclosure in the accompanying notes. Management evaluated the activity of the Company through June 27, 2013 (the date the consolidated and combined financial statements were available to be issued) and concluded that no subsequent events have occurred that would require recognition in the consolidated and combined financial statements or disclosure in the notes to the consolidated and combined financial statements.

Supplementary Information

Pennrose Development, LLC and Affiliates

Consolidating and Combining Balance Sheet

Year ended December 31, 2012

	Combined Pennrose Development, LLC and Pennrose Properties, LLC	PHQ, LLC	Other Consolidating Entities	Eliminations	Total
Assets					
Current assets					
Cash	$ 2,127,466	$ 2,792	$ 266,843	$ -	$ 2,397,101
Development fees receivable	9,759,682	-	-	-	9,759,682
Advanced project costs receivable	2,083,071	-	-	-	2,083,071
Due from affiliates	515,914	-	1,200	-	517,114
Prepaid expenses and other assets	-	-	42,553	-	42,553
Marketable securities	296,734	-	-	-	296,734
Miscellaneous receivables	498	-	386,624	-	387,122
Total current assets	14,783,365	2,792	697,220	-	15,483,377
Deposits held in trust					
Tenant security deposits	2,114	-	57,388	-	59,502
Restricted deposits and funded reserves					
Escrows and reserves	-	82,461	1,293,439	-	1,375,900
Property and equipment					
Land	-	30,000	4,461,917	-	4,491,917
Buildings and improvements	-	3,819,721	45,178,379	(632,670)	48,365,430
Construction in progress	-	-	324,174	-	324,174
Furniture, fixtures and equipment	196,340	277,729	1,105,165	-	1,579,234
Less accumulated depreciation	(128,229)	(920,823)	(6,606,322)	-	(7,655,374)
Total property and equipment	68,111	3,206,627	44,463,313	(632,670)	47,105,381
Other assets					
Investments in limited partnerships	120,002	-	-	24,661	144,663
Intangibles, net	-	56,592	723,914	-	780,506
Advanced project costs - long-term	7,037,062	-	-	-	7,037,062
Total other assets	7,157,064	56,592	723,914	24,661	7,962,231
Total assets	$ 22,010,654	$ 3,348,472	$ 47,235,274	$ (608,009)	$ 71,986,391

Pennrose Development, LLC and Affiliates

Consolidating and Combining Balance Sheet - Continued

Year ended December 31, 2012

	Combined Pennrose Development, LLC and Pennrose Properties, LLC	PHQ, LLC	Other Consolidating Entities	Eliminations	Total
Liabilities and Members' Equity					
Current liabilities					
Current portion on mortgages payable	$ -	$ 62,810	$ 13,198	$ -	$ 76,008
Accounts payable and accrued expenses	217,283	-	234,172	-	451,455
Accrued interest payable - current	8,611	-	-	-	8,611
Total current liabilities	225,894	62,810	247,370	-	536,074
Deposits and prepayment liabilities					
Prepaid rent	-	-	11,835	-	11,835
Tenant security deposits	2,114	-	57,510	-	59,624
Total deposits and prepayment liabilities	2,114	-	69,345	-	71,459
Long-term liabilities					
Mortgages payable	-	2,700,389	19,205,927	-	21,906,316
Due to affiliates	-	-	1,070,060	(632,670)	437,390
Accrued interest payable	-	36,234	1,858,412	-	1,894,646
Total long-term liabilities	-	2,736,623	22,134,399	(632,670)	24,238,352
Total liabilities	228,008	2,799,433	22,451,114	(632,670)	24,845,885
Contingencies	-	-	-	-	-
Members' equity					
Members' equity	21,742,778	-	(24,661)	24,661	21,742,778
Noncontrolling interest	-	549,039	24,808,821	-	25,357,860
Accumulated other comprehensive income (loss)	39,868	-	-	-	39,868
Total liabilities and members' equity	$ 22,010,654	$ 3,348,472	$ 47,235,274	$ (608,009)	$ 71,986,391

Pennrose Development, LLC and Affiliates

Consolidating and Combining Balance Sheet

Year ended December 31, 2011

	Combined Pennrose Development, LLC and Pennrose Properties, LLC	PHQ, LLC	Other Consolidating Entities	Eliminations	Total
Assets					
Current assets					
Cash	$ 1,190,158	$ 18,688	$ 329,595	$ -	$ 1,538,441
Development fees receivable	10,475,815	-	-	-	10,475,815
Advanced project costs receivable	3,296,973	-	-	(80,692)	3,216,281
Inventory - residential units	-	-	1,100,853	-	1,100,853
Due from affiliates	79,088	-	-	-	79,088
Prepaid expenses and other assets	-	-	41,926	-	41,926
Marketable securities	267,483	-	-	-	267,483
Miscellaneous receivables	-	-	373,659	-	373,659
Total current assets	15,309,517	18,688	1,846,033	(80,692)	17,093,546
Deposits held in trust					
Tenant security deposits	2,112	-	58,981	-	61,093
Restricted deposits and funded reserves					
Guaranty deposit collateral account	-	1,073,671	-	-	1,073,671
Escrows and reserves	-	80,257	1,415,251	-	1,495,508
Total restricted deposits and funded reserves	-	1,153,928	1,415,251	-	2,569,179
Property and equipment					
Land	-	30,000	4,461,917	-	4,491,917
Buildings and improvements	-	3,819,721	45,178,379	(632,670)	48,365,430
Construction in progress	-	-	302,672	-	302,672
Furniture, fixtures and equipment	158,950	277,729	1,105,165	-	1,541,844
Less accumulated depreciation	(109,619)	(795,109)	(5,246,095)	-	(6,150,823)
Total property and equipment	49,331	3,332,341	45,802,038	(632,670)	48,551,040
Other assets					
Investments in limited partnerships	566,424	-	-	(372,796)	193,628
Intangibles, net	-	-	778,101	-	778,101
Advanced project costs - long-term	6,158,769	-	-	-	6,158,769
Total other assets	6,725,193	-	778,101	(372,796)	7,130,498
Total assets	$ 22,086,153	$ 4,504,957	$ 49,900,404	$ (1,086,158)	$ 75,405,356

Pennrose Development, LLC and Affiliates

Consolidating and Combining Balance Sheet - Continued

Year ended December 31, 2011

	Combined Pennrose Development, LLC and Pennrose Properties, LLC	PHQ, LLC	Other Consolidating Entities	Eliminations	Total
Liabilities and Members' Equity					
Current liabilities					
Note payable - line of credit	$ 2,200,000	$ -	$ -	$ -	$ 2,200,000
Other notes payable	1,947	-	-	-	1,947
Current portion on mortgages payable	-	2,009,910	13,198	-	2,023,108
Accounts payable and accrued expenses	93,051	-	293,253	-	386,304
Accrued interest payable - current	14,467	-	-	-	14,467
Fair market value interest rate swap	-	48,804	-	-	48,804
Total current liabilities	2,309,465	2,058,714	306,451	-	4,674,630
Deposits and prepayment liabilities					
Buyer deposits	-	-	1,919	-	1,919
Prepaid rent	-	-	29,280	-	29,280
Tenant security deposits	2,112	-	59,169	-	61,281
Total deposits and prepayment liabilities	2,112	-	90,368	-	92,480
Long-term liabilities					
Mortgages payable	-	1,878,000	19,488,179	-	21,366,179
Due to affiliates	-	-	1,141,556	(713,362)	428,194
Accrued interest payable	-	39,292	1,430,886	-	1,470,178
Total long-term liabilities	-	1,917,292	22,060,621	(713,362)	23,264,551
Total liabilities	2,311,577	3,976,006	22,457,440	(713,362)	28,031,661
Contingencies	-	-	-	-	-
Members' equity					
Members' equity	19,757,090	-	372,796	(372,796)	19,757,090
Noncontrolling interest	-	577,755	27,070,168	-	27,647,923
Accumulated other comprehensive income (loss)	17,486	(48,804)	-	-	(31,318)
Total liabilities and members' equity	$ 22,086,153	$ 4,504,957	$ 49,900,404	$ (1,086,158)	$ 75,405,356

Pennrose Development, LLC and Affiliates

Consolidating and Combining Statement of Operations and Comprehensive Income

Year ended December 31, 2012

	Combined Pennrose Development, LLC and Pennrose Properties, LLC	PHQ, LLC	Other Consolidating Entities	Eliminations	Total
Operating income					
Development and consulting fees	$ 12,748,672	$ -	$ -	$ -	$ 12,748,672
Sales - residential units	-	-	1,057,400	-	1,057,400
Rental income	291,089	254,613	1,405,677	(254,613)	1,696,766
Total operating income	13,039,761	254,613	2,463,077	(254,613)	15,502,838
Operating expenses					
Cost of sales - residential units	-	-	1,258,704	-	1,258,704
Salaries, payroll taxes and employee benefits	3,197,128	-	330,635	-	3,527,763
Professional fees	576,592	2,350	-	-	578,942
Property management fees	-	-	116,892	-	116,892
Rent	281,741	-	-	(254,613)	27,128
Miscellaneous taxes and licenses	314,281	-	-	-	314,281
Utilities	100,576	-	299,992	-	400,568
Office cleaning and other occupancy expenses	103,619	-	-	-	103,619
Telephone	67,143	-	-	-	67,143
Insurance	25,665	-	111,187	-	136,852
Real estate taxes	-	-	179,504	-	179,504
Travel and entertainment	203,839	-	-	-	203,839
Dues and memberships	20,075	-	-	-	20,075
Repairs and maintenance	-	300	214,231	-	214,531
Advertising and promotion	48,394	-	-	-	48,394
Office supplies and expense	201,000	-	203,393	-	404,393
Nonrecoverable development expenses	343,122	-	-	-	343,122
Contributions	61,220	-	-	-	61,220
Seminars and continuing education	5,784	-	-	-	5,784
Lease-up expense	-	-	89,572	-	89,572
Depreciation	18,610	125,714	1,360,227	-	1,504,551
Amortization	-	3,827	54,187	-	58,014
Total operating expenses	5,568,789	132,191	4,218,524	(254,613)	9,664,891
Net operating income (loss)	7,470,972	122,422	(1,755,447)	-	5,837,947
Other income (expenses)					
Income from limited partnerships	17,153	-	-	(111)	17,042
Interest and other income	6,810	83	21,857	-	28,750
Interest expense	(113,476)	(117,221)	(527,646)	-	(758,343)
Total other income (expenses)	(89,513)	(117,138)	(505,789)	(111)	(712,551)
Net income (loss)	7,381,459	5,284	(2,261,236)	(111)	5,125,396
Other comprehensive income (loss)					
Unrealized gain on marketable securities	22,382	-	-	-	22,382
Realized gain on interest rate swap	-	48,804	-	-	48,804
Comprehensive income (loss)	7,403,841	54,088	(2,261,236)	(111)	5,196,582
Net comprehensive income (loss) allocated to noncontrolling interest	-	54,088	(2,159,951)	-	(2,105,863)
Net comprehensive income (loss) allocated to member	$ 7,403,841	$ -	$ (101,285)	$ (111)	$ 7,302,445

Pennrose Development, LLC and Affiliates

Consolidating and Combining Statement of Operations and Comprehensive Income - Continued

Year ended December 31, 2011

	Development, LLC and Pennrose Properties, LLC	PHQ, LLC	Other Consolidating Entities	Eliminations	Total
Operating income					
Development and consulting fees	$ 14,084,823	$ -	$ -	$ -	$ 14,084,823
Sales - residential units	-	-	680,000	-	680,000
Rental income	261,602	254,613	1,350,867	(254,613)	1,612,469
Total operating income	14,346,425	254,613	2,030,867	(254,613)	16,377,292
Operating expenses					
Cost of sales - residential units	-	-	921,907	-	921,907
Salaries, payroll taxes and employee benefits	3,215,171	-	261,474	-	3,476,645
Professional fees	371,619	2,182	-	-	373,801
Property management fees	-	-	115,923	-	115,923
Rent	276,111	-	-	(254,613)	21,498
Miscellaneous taxes and licenses	298,449	-	-	-	298,449
Utilities	113,330	-	283,734	-	397,064
Office cleaning and other occupancy expenses	102,220	-	-	-	102,220
Publications and subscriptions	1,972	-	-	-	1,972
Telephone	73,546	-	-	-	73,546
Insurance	23,927	-	105,470	-	129,397
Real estate taxes	-	-	174,994	-	174,994
Automobile expenses and parking	4,489	-	-	-	4,489
Travel and entertainment	129,008	-	-	-	129,008
Dues and memberships	13,722	-	-	-	13,722
Repairs and maintenance	-	-	126,480	-	126,480
Advertising and promotion	33,187	-	-	-	33,187
Office supplies and expense	184,683	-	197,832	-	382,515
Nonrecoverable development expenses	178,187	-	-	-	178,187
Contributions	48,409	-	-	-	48,409
Seminars and continuing education	7,474	-	-	-	7,474
Lease-up expense	-	-	6,626	-	6,626
Depreciation	19,733	125,714	1,388,891	-	1,534,338
Amortization	-	-	54,187	-	54,187
Total operating expenses	5,095,237	127,896	3,637,518	(254,613)	8,606,038
Net operating income (loss)	9,251,188	126,717	(1,606,651)	-	7,771,254
Other income (expenses)					
Income from limited partnerships	129,207	-	-	131,090	260,297
Interest and other income	7,810	88	32,240	-	40,138
Interest expense	(171,995)	(159,064)	(553,683)	-	(884,742)
Total other income (expenses)	(34,978)	(158,976)	(521,443)	131,090	(584,307)
Net income (loss)	9,216,210	(32,259)	(2,128,094)	131,090	7,186,947
Other comprehensive income (loss)					
Unrealized (loss) on marketable securities	(12,486)	-	-	-	(12,486)
Unrealized gain on interest rate swap	-	86,305	-	-	86,305
Comprehensive income (loss)	9,203,724	54,046	(2,128,094)	131,090	7,260,766
Net comprehensive income (loss) allocated to noncontrolling interest	-	54,046	(1,997,004)	-	(1,942,958)
Net comprehensive income (loss) allocated to member	$ 9,203,724	$ -	$ (131,090)	$ 131,090	$ 9,203,724

Pennrose Development, LLC and Affiliates

Consolidating and Combining Statement of Changes in Members' Equity

Year ended December 31, 2012 and 2011

	Members' Equity	Noncontrolling Interest	Accumulated Other Comprehensive Income (Loss)	Total
Beginning, December 31, 2010	$ 16,672,563	$ 29,286,794	$ (105,137)	$ 45,854,220
Net income (loss)	9,216,210	(2,029,263)	-	7,186,947
Other comprehensive income				
Unrealized loss on marketable securities	-	-	(12,486)	(12,486)
Unrealized gain on interest rate swap	-	-	86,305	86,305
Contributions	-	434,392	-	434,392
Distributions	(6,131,683)	(44,000)	-	(6,175,683)
Ending, December 31, 2011	19,757,090	27,647,923	(31,318)	47,373,695
Net income (loss)	7,381,459	(2,256,063)	-	5,125,396
Other comprehensive income				
Unrealized gain on marketable securities	-	-	22,382	22,382
Realized gain on interest rate swap	-	-	48,804	48,804
Distributions	(5,395,771)	(34,000)	-	(5,429,771)
Ending, December 31, 2012	$ 21,742,778	$ 25,357,860	$ 39,868	$ 47,140,506

Pennrose Development, LLC and Affiliates

Consolidated and Combined Financial Statements
(With Supplementary Information)
and Independent Auditor's Report

December 31, 2013 and 2012

Pennrose Development, LLC and Affiliates

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Independent Auditor's Report

To the Members
Pennrose Development, LLC and Affiliates

We have audited the accompanying consolidated and combined financial statements of Pennrose Development, LLC and Affiliates, which comprise the consolidated and combined balance sheets as of December 31, 2013 and 2012, and the related consolidated and combined statements of operations and comprehensive income, changes in members' equity and cash flows for the years then ended, and the related notes to the consolidated and combined financial statements.

Management's Responsibility for the Consolidated and Combined Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated and combined financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated and combined financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated and combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated and combined financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated and combined financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated and combined financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated and combined financial statements referred to above present fairly, in all material respects, the financial position of Pennrose Development, LLC and Affiliates as of December 31, 2013 and 2012, and the results of their operations and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated and combined financial statements as a whole. The accompanying consolidating and combining information in the supplementary information on pages 29 through 34 is presented for purposes of additional analysis of the consolidated and combined financial statements rather than to present the financial position, results of operations, and cash flows of the individual companies and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to underlying accounting and other records used to prepare the consolidated and combined financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated and combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated and combined financial statements or to the consolidated and combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated and combined financial statements as a whole.

CohnReznick LLP

Baltimore, Maryland
June 13, 2014

Pennrose Development, LLC and Affiliates

Consolidated and Combined Balance Sheets
December 31, 2013 and 2012

Assets

	2013	2012
Current assets		
Cash	$ 4,182,207	$ 2,397,101
Development fees receivable	11,329,322	9,759,682
Advanced project costs receivable	1,688,531	2,083,071
Due from affiliates	839,239	517,114
Prepaid expenses and other assets	76,989	42,553
Marketable securities	310,827	296,734
Miscellaneous receivables	86,369	387,122
Total current assets	18,513,484	15,483,377
Deposits held in trust		
Tenant security deposits	58,576	59,502
Restricted deposits and funded reserves		
Escrows and reserves	1,220,002	1,375,900
Total restricted deposits and funded reserves	1,220,002	1,375,900
Property and equipment		
Land	1,877,978	4,491,917
Buildings and improvements	14,620,086	48,365,430
Furniture, fixtures and equipment	842,713	1,579,234
Construction-in-progress	17,329,711	324,174
	34,670,488	54,760,755
Less accumulated depreciation	(1,198,060)	(7,655,374)
Total property and equipment - net	33,472,428	47,105,381
Other assets		
Investments in limited partnerships	110,023	144,663
Intangibles, net	717,134	780,506
Advanced project costs - long-term	7,245,077	7,037,062
Total other assets	8,072,234	7,962,231
Total assets	$ 61,336,724	$ 71,986,391

Pennrose Development, LLC and Affiliates

Consolidated and Combined Balance Sheets
December 31, 2013 and 2012

Liabilities and Members' Equity

	2013	2012
Current liabilities		
Current portion of mortgages and notes payable	$ 1,999,236	$ 76,008
Accounts payable and accrued expenses	2,356,305	451,455
Accrued interest payable - current	18,455	8,611
Total current liabilities	4,373,996	536,074
Deposits and prepayment liabilities		
Prepaid rent	15,944	11,835
Tenant security deposits	58,720	59,624
Total deposits and prepayment liabilities	74,664	71,459
Long-term liabilities		
Mortgages and notes payable	30,623,165	21,906,316
Due to affiliates	150,165	437,390
Accrued interest payable	2,333,831	1,894,646
Total long-term liabilities	33,107,161	24,238,352
Total liabilities	37,555,821	24,845,885
Contingencies	-	-
Members' equity		
Members' equity	26,385,568	21,742,778
Noncontrolling interest	(2,657,049)	25,357,860
Accumulated other comprehensive income (loss)	52,384	39,868
Total members' equity	23,780,903	47,140,506
Total liabilities and members' equity	$ 61,336,724	$ 71,986,391

See Notes to Consolidated and Combined Financial Statements.

Pennrose Development, LLC and Affiliates

Consolidated and Combined Statements of Operations and Comprehensive Income
Years Ended December 31, 2013 and 2012

	2013	2012
Operating income		
Development and consulting fees	$ 14,923,385	$ 12,748,672
Sales - residential units	-	1,057,400
Rental income	1,291,215	1,696,766
Total operating income	16,214,600	15,502,838
Operating expenses		
Cost of sales - residential units	-	1,258,704
Salaries, payroll taxes and employee benefits	3,772,630	3,527,763
Professional fees	515,107	578,942
Property management fees	117,385	116,892
Rent	47,998	27,128
Miscellaneous taxes and licenses	273,762	314,281
Utilities	398,248	400,568
Office cleaning and other occupancy expenses	100,834	103,619
Telephone	69,033	67,143
Insurance	126,740	136,852
Real estate taxes	118,931	179,504
Travel and entertainment	202,147	203,839
Dues and memberships	18,669	20,075
Repairs and maintenance	351,859	214,531
Advertising and promotion	59,170	48,394
Office supplies and expense	409,236	404,393
Nonrecoverable development expenses	156,631	343,122
Contributions	44,405	61,220
Seminars and continuing education	6,941	5,784
Lease-up expense	41,456	89,572
Depreciation	1,509,235	1,504,551
Amortization	63,372	58,014
Total operating expenses	8,403,789	9,664,891
Operating income	7,810,811	5,837,947
Other income (expenses)		
Impairment loss on real estate held by limited partnerships	(29,173,846)	-
(Loss) income from limited partnerships	21,074	17,042
Interest and other income	31,279	28,750
Gain on sale of marketable securities	10,079	-
Interest expense	(799,261)	(758,343)
Total other income (expenses)	(29,910,675)	(712,551)
Net income (loss)	(22,099,864)	5,125,396
Other comprehensive income (loss)		
Unrealized gain on marketable securities	12,516	22,382
Realized gain on interest rate swap	-	48,804
Comprehensive income (loss)	(22,087,348)	5,196,582
Net comprehensive income (loss) allocated to noncontrolling interest	(31,496,096)	(2,105,863)
Net comprehensive income (loss) allocated to members	$ 9,408,748	$ 7,302,445

See Notes to Consolidated and Combined Financial Statements.

Pennrose Development, LLC and Affiliates

Consolidated and Combined Statements of Changes in Members' Equity
Years Ended December 31, 2013 and 2012

	Members' Equity	Noncontrolling Interest	Accumulated Other Comprehensive Income (Loss)	Total
Beginning, December 31, 2011	$ 19,757,090	$ 27,647,923	$ (31,318)	$ 47,373,695
Net income (loss)	7,381,459	(2,256,063)	-	5,125,396
Other comprehensive income (loss)				
Unrealized gain on marketable securities	-	-	22,382	22,382
Realized gain on interest rate swap	-	-	48,804	48,804
Distributions	(5,395,771)	(34,000)	-	(5,429,771)
Ending, December 31, 2012	21,742,778	25,357,860	39,868	47,140,506
Net income (loss)	9,396,232	(31,496,096)	-	(22,099,864)
Other comprehensive income (loss)				
Unrealized gain on marketable securities	-	-	12,516	12,516
Contributions	-	3,659,486	-	3,659,486
Distributions	(4,753,442)	(178,299)	-	(4,931,741)
Ending, December 31, 2013	$ 26,385,568	$ (2,657,049)	$ 52,384	$ 23,780,903

See Notes to Consolidated and Combined Financial Statements.

Pennrose Development, LLC and Affiliates

Consolidated and Combined Statements of Cash Flows
Years Ended December 31, 2013 and 2012

	2013	2012
Cash flows from operating activities		
Net (loss) income	$ (22,099,864)	$ 5,125,396
Adjustments to reconcile net (loss) income to net cash provided by operating activities		
Depreciation	1,509,235	1,504,551
Amortization	63,372	58,014
Gain on sale of marketable securities	(10,079)	-
Income from limited partnerships	(21,074)	(17,042)
Impairment losses	29,173,846	-
(Increase) decrease in assets		
Miscellaneous receivables	300,753	(13,463)
Development fees receivable	(1,569,640)	716,133
Prepaid expenses and other assets	(34,436)	(627)
Inventory - residential units	-	1,100,853
Tenant security deposits	926	1,591
Increase (decrease) in liabilities		
Accounts payable and accrued expenses	370,997	65,151
Tenant security deposits	(904)	(3,576)
Prepaid rent	4,109	(17,445)
Accrued interest payable	449,029	418,612
Net cash provided by operating activities	8,136,270	8,938,148
Cash flows from investing activities		
Payments made for fixed assets	(15,460,561)	(58,892)
Sale of marketable securities	20,000	(5,592)
Purchase of marketable securities	(11,498)	-
Contributions to investment in partnerships	-	64,730
Advanced project costs receivable	186,525	254,917
Net withdrawals from restricted deposits and funded reserves	155,898	1,193,279
Due from affiliates	(322,125)	(438,026)
Net cash (used in) provided by investing activities	(15,431,761)	1,010,416
Cash flows from financing activities		
Repayment of mortgages payable	(72,812)	(3,392,668)
Proceeds from mortgages payable	10,712,889	1,985,705
Repayment of line of credit	-	(2,200,000)
Due to affiliate	(287,225)	9,196
Distributions	(4,753,442)	(5,395,771)
Note payable payments	-	(1,947)
Noncontrolling interest contributions	3,659,486	-
Noncontrolling interest distributions	(178,299)	(34,000)
Loan costs paid	-	(60,419)
Net cash provide by (used in) financing activities	9,080,597	(9,089,904)
Net increase in cash	1,785,106	858,660
Cash, beginning	2,397,101	1,538,441
Cash, end	$ 4,182,207	$ 2,397,101
Supplemental disclosure of cash flow information		
Cash paid for interest	$ 350,232	$ 388,535
Schedule of noncash investing and financing activities		
Inventory converted to rental property	$ -	$ 1,814,237
Impairment loss	$ 29,173,846	$ -
Accounts payable construction included in rental property	$ 1,533,852	$ -

See Notes to Consolidated and Combined Financial Statements.

Note 1 - Organization and nature of operations

Pennrose Development, LLC ("PDLLC") and Affiliates (collectively, "the Company") was formed under the laws of the Commonwealth of Pennsylvania. The Company is involved in real estate rentals, for sale activities and provides development services. The Company provides these services for limited partnerships and limited liability companies in which it is a general partner or a member, and for affiliated companies under various terms and conditions. The Company operates in various states, including Pennsylvania, New Jersey, New York, Maryland, Connecticut, Alabama, Georgia, North Carolina, Ohio, and Tennessee.

The Company holds general partner and managing member interests in limited partnerships and limited liability companies which are governed by a limited partnership or operating agreement and Internal Revenue Code Section 42. Each building of the respective projects has qualified for and been allocated low-income housing tax credits pursuant to Internal Revenue Code Section 42, which regulates the use of the project as to occupant eligibility and unit gross rent, among other requirements. Each building of the project must meet the provisions of these regulations during each of 15 consecutive years. Failure to comply with occupant eligibility and/or unit gross rent, or to correct noncompliance within a specified time period could result in recapture of previously taken low-income housing tax credits plus interest. Such potential noncompliance may require an adjustment to the contributed capital by the investor limited partner or member. In addition, the limited partnerships and limited liability companies have executed Deeds of Easement and Restrictive Covenants for Extended Low-income Occupancy, which require the utilization of the respective projects pursuant to Section 42 for an amount of time ranging from 30 to 40 years, even if the limited partnerships or limited liability companies dispose of the projects.

By agreement, the Company is to be terminated by September 2, 2054 unless other events have occurred as defined in the operating agreement.

Note 2 - Summary of significant accounting policies

Principles of Consolidation and Combination

The consolidated and combined financial statements include the financial statements of Pennrose Development, LLC, the operating entities that have been consolidated, and entities that are combined with the accounts of the affiliates with common control. All significant intercompany balances and transactions have been eliminated.

The following affiliated entity is included in the combined group:

- Pennrose Properties, LLC

The following affiliated entities are included in the consolidated group:

- PHQ, LLC
- East Camden Associates II, LLC

- Pennrose Formation, LLC
- Pennrose Formation Mobile, LLC
- Innovation Lofts Associates, LLC

PHQ, LLC is the entity formed for the purpose of owning the office building being leased to the Company.

East Camden Associates II, LLC owns a general partner interest in Westfield Acres Urban Renewal Associates II, LP and Westfield Acres Urban Renewal Associates III, LP. East Camden Associates II, LLC is deemed to be the primary beneficiary; therefore, the financial activity of Westfield Acres Urban Renewal Associates II, LP and Westfield Acres Urban Renewal Associates III, LP has been consolidated into East Camden Associates II, LLC.

Pennrose Formation, LLC owns a managing member interest in Glenbrook at Oxmoor I, LLC, Glenbrook at Oxmoor II, LLC, and Glenbrook at Oxmoor III, LLC, and is deemed to be the primary beneficiary; therefore, the financial activity of these entities have been consolidated into Pennrose Formation, LLC.

Pennrose Formation Mobile, LLC is the developer of various properties in Mobile, Alabama.

Innovation Lofts Associates, LLC is the entity formed in 2013 for development and operation of a historic rehabilitation market rate rental property.

Investment in limited partnerships and LLCs
The Company holds interests of 50% or less in various limited partnerships and limited liability companies which are accounted for using the equity method. Under the equity method of accounting, the initial investment is recorded at cost, and is subsequently increased by the investors' share of earnings, and decreased by the investors' share of losses and distributions.

The Company regularly assesses the carrying value of its investment in the limited partnerships and limited liability companies. If the carrying value is considered to exceed the estimated value derived by management (which contemplates low-income housing tax credits and potential residual value, among other things), the Company reduces its investment in the limited partnership or limited liability company and reduction in equity in loss of investment.

The entities that the Company invests in are considered to be variable interest entities; however, the Company is not considered to be the primary beneficiary and, therefore, has not included these in the consolidation. The Company's maximum exposure to loss as a result of its involvement with these variable interest entities is equal to their investment balance as of December 31, 2013 and 2012.

Use of estimates
The preparation of the consolidated and combined financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Property and equipment
Buildings and improvements, furniture, fixtures and equipment are recorded at cost and depreciated using the straight-line method over estimated useful lives (which range from five to forty years). Repairs and maintenance are charged against earnings as incurred.

Impairment of long-lived assets
The Company reviews its rental property for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. When recovery is reviewed, if the undiscounted cash flows estimated to be generated by the property are less than its carrying amount, management compares the carrying amount of the property to its fair value in order to determine whether an impairment loss has occurred. The amount of the impairment loss is equal to the excess of the asset's carrying value over its estimated fair value. During 2013, the ability of operations to recover the rental property of Westfield Acres Urban Renewal Associates II, L.P., Westfield Acres Urban Renewal Associates III, L.P., and Glenbrook at Oxmoor I, was reviewed and concluded that the fair value of the assets was less than the carrying amount. Impairment losses of $12,475,583, $8,636,760, and $8,061,503 for Westfield Acres Urban Renewal Associates II, L.P., Westfield Acres Urban Renewal Associates III, L.P., and Glenbrook at Oxmoor, respectively, were recorded for the year ended December 31, 2013, and are further discussed in note 5.

Deferred fees and amortization
Financing fees are amortized over the term of the loan using the straight-line method. Accounting principles generally accepted in the United States of America require that the effective-yield method be used to amortize financing costs; however, the effect of using the straight-line method is not materially different from the results that would have been obtained under the effective-yield method.

Costs related to obtaining low-income housing tax credits are being amortized over the mandatory 15-year compliance period.

Amortization is described further in note 7.

Development fees receivable, tenant receivables, and bad debts
Development fees, advanced project costs, and tenant receivables are charged to bad debt expense when they are determined to be uncollectible based upon a periodic review of accounts by management. Accounting principles generally accepted in the United States of

America require that the allowance method be used to recognize bad debts; however, the effect of using the direct write-off method is not materially different from the result that would have been obtained under the allowance method.

Development and consulting fees
The Company receives fees for the performance of development and consulting services for properties which it develops on behalf of sponsored entities. The fees are generally earned ratably over the development period in accordance with the respective fee agreements. The payment of the fees is funded by the proceeds of investor capital contributions to the entities or from the entities' cash flow or capital proceeds. Due to the contingent nature of payment of payment from cash flow, any fees expected to be paid from cash flow are not recognized until payment is received. For the years ended December 31, 2013 and 2012, the amount of development and consulting fees revenue earned under fee agreements with related parties represents 92.04% and 99.94%, respectively, of total revenue.

Rental income
Rents are recognized as income on the accrual basis as they are earned. Advance receipts of rental income are deferred and classified as liabilities until earned. All leases between the Company and tenants of the property are considered to be operating leases.

Income taxes
The Companies have elected to be treated as pass-through entities for income tax purposes and, as such, are not subject to income taxes. Rather, all items of taxable income, deductions, and tax credits are passed through to, and are reported by, their owners on their respective income tax returns. The Companies' federal tax statuses as pass-through entities are based on their legal statuses as limited liability companies. Accordingly, the Companies are not required to take any tax positions in order to qualify as pass-through entities. The Companies are required to file, and do file, tax returns with the Internal Revenue Service and other taxing authorities. Accordingly, these consolidated and combined financial statements do not reflect a provision for income taxes and the Companies have no other tax positions which must be considered for disclosure. Income tax returns filed by the Company are subject to examination by the Internal Revenue Service for a period of three years. While no income tax returns are currently being examined by the Internal Revenue Service, tax years since 2010 remain open.

Marketable securities
The Company has accounted for marketable securities in accordance with accounting guidance for certain investments in equity securities. The Company's marketable securities are classified as available-for-sale and are carried at fair value determined by quoted market prices (market approach) as of the date nearest the consolidated and combined balance sheet date. Unrealized holding gains and losses are included as a separate component of members' equity as other accumulated comprehensive gain or loss.

Fair value measurements
The accounting standard for fair value measurement and disclosure defines fair value, establishes a framework for measuring fair value, and provides for expanded disclosure about fair value measurements. The accounting standard was applied to the Company's financial assets and liabilities effective January 1, 2008, and to certain nonfinancial assets and liabilities effective January 1, 2009. Fair value is defined by the accounting standard for fair value measurement and disclosures as the exchange price that would be received for an asset or paid to transfer a liability (exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. It also establishes a fair value hierarchy that prioritizes observable and unobservable inputs used to measure fair value into three levels.

There are three general valuation techniques that may be used to measure the fair value, as described below:

- Market approach (Level One) - Uses prices and other relevant information generated by market transactions involving identical or comparable assets and liabilities. Prices may be indicated by pricing guides, sale transactions, market trades, or other sources;

- Cost approach (Level Two) - Based on the amount that currently would be required to replace the service capacity of an asset (replacement cost); and

- Income approach (Level Three) - Uses valuation techniques to convert future amounts to a single present amount based on current market expectations about the future amounts (includes present value techniques and option-pricing models). Net present value is an income approach where a stream of expected cash flows is discounted at an appropriate market interest rate.

In instances where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, the fair value measurement will fall within the lowest level input that is significant to the fair value measurement in its entirety.

Derivative instruments and hedging activities
During the years ended December 31, 2012, the Company had one interest rate swap outstanding that was used to mitigate the economic impact of changes in interest rates. The Company did not enter into the derivative transaction for trading or other speculative purposes. The swap is designated as a cash flow hedge and is being used to offset the risk of changes in cash flows associated with benchmark interest payments on a variable rate mortgage loan. Interest rate swap contracts designated and qualifying as cash flow hedges are reported at fair value. During 2012, the interest rate swap was satisfied in full and an realized gain of $48,404 was recognized as a component of minority interest.

Compensated absences
Employees of the Company are entitled to paid vacation. It is impractical to estimate the amount of compensation for future absences and, accordingly, no liability has been

recorded in the accompanying consolidated and combined financial statements. The Company's policy is to recognize these absences when actually paid to employees. Management believes these unrecorded costs are not material to these financial statements.

Advertising costs
Advertising costs are charged to operations when incurred.

Variable interest entities
The Company is the developer and the co-guarantor of obligations (but not an investor) under partnership and loan documents of limited partnerships formed since the Company's inception for the purpose of constructing, owning, and operating low-income apartment complexes of various sizes. The Company's developer fees receivable and the Company's guarantees of obligations under the partnership agreements represent variable interests in affiliated low-income housing tax credit properties. However, the Company is not considered the primary beneficiary and, therefore, has not consolidated the variable interest entities.

As of December 31, 2013, the Company's maximum exposure to loss as a result of its involvement with these variable interest entities is equal to the outstanding subordinate loans receivable in the amount of $8,933,608, fees receivable in the amount of $11,329,322, and the aggregate exposure under various guarantees.

Note 3 - Development fees receivable

The Company has entered into fee agreements, primarily with related parties, for the development of real estate. Such fees are generally earned over the construction period and payable from development sources and cash flow of the developing entity. Fees are only recognized to the extent earned and payment is to be made from available development sources. Due to the contingent nature of payment, any fees expected to be paid from cash flow are not recognized until payment is received. No fees have been deferred for any Company guarantee obligations and the projects are developed with significant operating reserves. As of December 31, 2013 and 2012, the amount of development fees receivable and earned under fee agreements with related parties represents 100% of total fees earned and receivable. The total estimated amount of deferred development fees earned but not recognized as revenue as of December 31, 2013 and 2012 is $10,324,281 and $8,501,551, respectively.

Note 4 - Advanced project costs

Advanced project costs represent direct project costs for future developments and advances to affiliated entities which have projects in various stages of the development process. Such costs are recovered either from mortgage or syndication proceeds when closing occurs, with interest, which is earned at the rate of 15% per annum. Due to the uncertainty in regarding the timing of the payments, the Company recognizes the revenue when it is received. Direct project costs and expenses on ventures that do not materialize within a reasonable length of time are charged to expense.

Note 5 - Impairment losses

The Company's net rental properties for Westfield Acres Urban Renewal Associates II, L.P., Westfield Acres Urban Renewal Associates III, L.P., and Glenbrook at Oxmoor I were written down as of December 31, 2013 to their estimated fair values of $4,284,000, $2,226,000 and $6,134,000, respectively. The impairment expense was $12,475,583, $8,636,760, and $8,061,503, respectively, for the year ended December 31, 2013. Fair value measurements were made using both a sales approach and an income approach utilizing primarily unobservable inputs (Level 3) due to a lack of market transactions involving tax credit properties (see note 10). Management of the properties has estimated the fair value of the underlying real estate based on widely accepted valuation techniques, including: (i) discounted cash flow analysis, which considers leasing assumptions, growth rates and terminal capitalization rates, (ii) income capitalization approach, which considers prevailing market capitalization rates, and (iii) comparable sales activity, taking into consideration the significant restrictions placed on the properties under any extended use regulatory agreements. In general, management considers multiple valuation techniques. Management of the properties believes the combined approaches described above provide a reasonable measurement of the fair value of the properties as a whole based on their history of and anticipated continued reduced operating results, any land use restrictions, and their tax credit attributes.

Note 6 - Related party transactions

During the years ended December 31, 2013 and 2012, Pennrose Development, LLC advanced funds to affiliates. These advances do not bear interest and are payable on demand. As of December 31, 2013 and 2012, $830,239 and $517,114, respectively, remain receivable.

In conjunction with the development of Westfield Acres Urban Renewal Associates II, LP, the developers collectively earned a fee in the amount of $1,085,000. As of December 31, 2013 and 2012, $739,949 remains payable, of which $620,934 is payable to Pennrose Development, LLC and was eliminated in consolidation. The remaining amount payable of $119,015 is included in due to affiliates.

In conjunction with the development of Westfield Acres Urban Renewal Associates III, LP, Pennrose Development, LLC earned a fee in the amount of $669,013. As of December 31, 2013 and 2012, $11,736 remains payable and was eliminated in consolidation.

In conjunction with the development of Glenbrook at Oxmoor I, LLC, the developers collectively earned a fee in the amount of $2,244,880. As of December 31, 2013 and 2012, $0 and $280,610, respectively, remain payable and are included in due to affiliates.

An affiliate advanced funds to Glenbrook at Oxmoor II, LLC. These funds are noninterest bearing and due on demand. As of December 31, 2013 and 2012, $25,540 and $32,155, respectively, remains payable and is included in due to affiliates.

An affiliate advanced funds to Glenbrook at Oxmoor III, LLC. These funds are noninterest bearing and due on demand. As of December 31, 2013 and 2012, $5,610 remains payable and are included in due to affiliates.

Westfield Acres Urban Renewal Associates II, LP contracted with Pennrose Management Company, an affiliate, to manage the day-to-day operations of the property. Under the terms of the agreement, Pennrose Management Company is entitled to receive a fee equal to $41 per unit per month multiplied by the percentage of units occupied as compensation for its services. For the years ended December 31, 2013 and 2012, $35,670 and $34,973, respectively, were incurred under the contract. As of December 31, 2013 and 2012, $68,539 and $39,971, respectively, remain payable and are included in accounts payable and accrued expenses.

Westfield Acres Urban Renewal Associates III, LP contracted with Pennrose Management Company, an affiliate, to manage the day-to-day operations of the property. Under the terms of the agreement, Pennrose Management Company is entitled to receive a fee equal to $41 per unit per month multiplied by the percentage of units occupied as compensation for its services. For the years ended December 31, 2013 and 2012, $36,367 was incurred under the contract. As of December 31, 2013 and 2012, $24,300 and $14,260, respectively, remain payable and are included in accounts payable and accrued expenses.

Glenbrook at Oxmoor I, LLC contracted with Pennrose Management Company, an affiliate of the managing member, to manage the day-to-day operations of the property of the property for a fee equal to 6% of the maximum imputed tax credit rents (subject to certain exclusions) as compensation for its services. For the years ended December 31, 2013 and 2012, $45,348 and $45,552 respectively, were incurred under the contract. As of December 31, 2013 and 2012, $29,202 and $8,338, respectively, remain payable and are included in accounts payable and accrued expenses.

Note 7 - Investment in limited partnerships and limited liability companies

Pennrose Properties, LLC has investments in various affiliated partnerships and limited liability companies that they account for under the equity method. Total investments in these affiliated entities at December 31, 2013 and 2012 were as follows:

Entity	%	Investment at 12/31/2013
Transit Village Associates, LLC	49.5%	$ -
Sutton Garage, LLC	50%	(342)
Uplands Visionaries, LLC	35%	120,338
Uni-Penn NJ, LLC	50%	(9,973)
		$ 110,023

Entity	%	Investment at 12/31/2012
Transit Village Associates, LLC	49.5%	$ -
Sutton Garage, LLC	50%	(1,500)
Uplands Visionaries, LLC	35%	155,134
Uni-Penn NJ, LLC	50%	(8,971)
		$ 144,663

Summarized financial information of the above entities as of December 31, 2013 and 2012 follows:

Summarized Balance Sheets

Assets

	2013	2012
Cash	$ 4,138,162	$ 3,950,941
Receivables	229,137	3,319,389
Restricted deposits and funded reserves	3,318,152	2,929,477
Investment in property, including construction-in-progress	220,860,389	344,915,228
Other assets	6,166,821	3,990,830
Total assets	$ 234,712,661	$ 359,105,865

Liabilities and Equity

Mortgages	$ 178,559,856	$ 203,515,933
Other liabilities	18,247,027	25,469,043
Equity	37,905,778	130,120,889
Total liabilities and equity	$ 234,712,661	$ 359,105,865

Summarized Statements of Operations

	2013	2012
Revenue	$ 47,867,775	$ 14,931,669
Operating expenses	13,050,480	18,501,551
Impairment and loss on sale	130,948,413	-
Net (loss) income	$ (96,131,118)	$ (3,569,882)

Note 8 - Intangibles

At December 31, 2013 and 2012, intangibles were comprised of the following:

Westfield Acres Urban Renewal Associates III, LP

	Method	Period	2013	2012
Mortgage costs	Straight-line	50 years	$ 54,500	$ 54,500
Less accumulated amortization			7,267	6,177
			$ 47,233	$ 48,323
Tax credit fees	Straight-line	15 years	$ 223,947	$ 223,947
Less accumulated amortization			99,533	84,603
			$ 124,414	$ 139,344

Westfield Acres Urban Renewal Associates II, LP

	Method	Period	2013	2012
Mortgage costs	Straight-line	30 years	$ 158,735	$ 158,735
Less accumulated amortization			32,628	27,337
			$ 126,107	$ 131,398
Tax credit fees	Straight-line	15 years	$ 294,692	$ 294,692
Less accumulated amortization			118,423	98,777
			$ 176,269	$ 195,915

Glenbrook at Oxmoor I, LLC

	Method	Period	2013	2012
Mortgage costs	Straight-line	40 years	$ 94,623	$ 94,623
Less accumulated amortization			11,139	8,774
			$ 83,484	$ 85,849
Tax credit fees	Straight-line	15 years	$ 162,973	$ 162,973
Less accumulated amortization			50,753	39,888
			$ 112,220	$ 123,085

PHQ LLC

	Method	Period	2013	2012
Mortgage costs	Straight-line	5 years	$ 60,419	$ 60,419
Less accumulated amortization			13,012	3,827
			$ 47,407	$ 56,592

Annual amortization expense for each of the next five years will be $66,271.

Note 9 - Restricted deposits and funded reserves

Pursuant to various agreements, certain sums of monies are required to be placed on restricted deposit. The withdrawal of these funds is subject to approval. Restricted deposits and funded reserves are made up of the following as of December 31, 2013 and 2012:

	2013	2012
PHQ, LLC		
Replacement reserve	$ -	$ 82,461
Westfield Acres Urban Renewal Associates II, LP		
Replacement reserve	$ 42,255	$ 42,379
Operating reserve	$ 233,585	$ 242,982
Supportive service escrow	$ 205,915	$ 230,818

	2013	2012
Westfield Acres Urban Renewal Associates III, LP		
Replacement reserve	$ 25,971	$ 39,931
ACC reserve	$ 249,897	$ 298,750
Glenbrook at Oxmoor I, LLC		
Replacement reserve	$ 99,722	$ 75,007
Mortgage escrows	$ 88,748	$ 49,751
Affordability reserve	$ 137,687	$ 137,429
Operating reserve	$ 136,222	$ 176,392

Note 10 - Marketable securities

Distributions earned by a shareholder are being retained by the Company and have been invested in marketable securities that are classified as available-for-sale. The terms of the restricted membership interest agreement stipulate that the Company will not withdraw or encumber the funds, subject to the provision that the funds may be available to satisfy the claims of unsecured general creditors of the Company. The following table presents the Company's marketable securities that were measured at fair value on a recurring/nonrecurring basis as of December 31, 2013 and 2012:

	Estimated fair value at 12/31/2013	Gains in accumulated other comprehensive income (loss)	Losses in accumulated other comprehensive income (loss)
Marketable securities	$ 310,827	$ 52,384	$ -
Securities held less than 1 year	$ -	$ -	$ -
Securities held more than 1 year	310,827	52,384	-
	$ 310,827	$ 52,384	$ -

	Estimated fair value at 12/31/2012	Gains in accumulated other comprehensive income (loss)	Losses in accumulated other comprehensive income (loss)
Marketable securities	$ 296,734	$ 39,868	$ -
Securities held less than 1 year	$ -	$ -	$ -
Securities held more than 1 year	296,734	39,868	-
	$ 296,734	$ 39,868	$ -

Fair values of investments measured on a recurring basis are as follows:

	Level I	Level II	Level III	Total
nonrecurring	$ -	$ -	$ 12,684,000	$ 12,684,000
Marketable securities - recurring	310,827	-	-	310,827
Total	$ 310,827	$ -	$ 12,684,000	$ 12,994,827

	December 31, 2012			
	Level I	Level II	Level III	Total
Marketable securities	$ 296,734	$ -	$ -	$ 296,734

Note 11 - Line of credit

The Company has established a line of credit with Luzerne Bank, which consists of a revolving portion for short term borrowings for working capital needs of $8,000,000. Interest varies with the Wall Street Journal Prime Rate of Interest, but can at no time be less than 4.0% per annum (4.0% at December 31, 2013). Interest on the loan shall be due monthly, and the principal is due on demand along with any accrued interest and charges. The line of credit is available until such time as the parties may agree in writing to terminate it. The line of credit is secured by all accounts receivable, furniture, fixtures and equipment and general intangibles of the Company as well as the guaranty of the Company's members. During the years ended December 31, 2013 and 2012, interest expense was $67,561 and $113,476, respectively. As of December 31, 2013 and 2012, the outstanding principal balance is $0.

Note 12 - Mortgages and notes payable

As of December 31, 2013 and 2012, mortgages and notes payable are comprised of the following:

Entity	Lender Name	Total Commitment	Maturity Date	Interest Rate	Security/ Guaranty	Payment Terms	Outstanding Balance 12/31/2013	Outstanding Balance 12/31/2012
Pennrose Properties, LLC	Anthony J. Diaco	$ 3,000,000	8/22/2016	10.00% compounded annually	Note E	Monthly payments of interest of $25,000 with principal due at maturity	$ 3,000,000	$ -
Pennrose Properties, LLC	Jay Chapman	$ 1,000,000	9/9/2014	2.00% compounded annually	Note B	Due at maturity	1,000,000	-
PHQ, LLC	Wells Fargo Bank, N.A.	$ 1,985,705	7/12/2017	One-Month LIBO Rate (2.95%)	Note A	Monthly payments of $5,367	1,898,668	1,958,870
PHQ, LLC	Richard K. Barnhart and Mark H. Dambly	$ 554,500	5/16/2045	0.50%	Note A	Due at maturity	544,500	544,500
PHQ, LLC	Richard K. Barnhart and Mark H. Dambly	$ 259,829	5/16/2045	0.50%	Note A	Due at maturity	259,829	259,829
Westfield Acres Urban Renewal Associates II, LP	New Jersey Housing and Mortgage Finance Agency (NJHMFA)	$ 2,000,000	12/1/2046	1.00%	Note C	Annual repayments made from 25% of available cash flow; any unpaid amounts due at maturity	2,000,000	2,000,000
Westfield Acres Urban Renewal Associates II, LP	Housing Authority of the City of Camden	$ 2,184,428	11/2/2057	1.00% compounded annually	Note C	Due at maturity	2,184,428	2,184,428

Pennrose Development, LLC and Affiliates

Notes to Consolidated and Combined Financial Statements
December 31, 2013 and 2012

Entity	Lender Name	Total Commitment	Maturity Date	Interest Rate	Security/ Guaranty	Payment Terms	Outstanding Balance 12/31/2013	Outstanding Balance 12/31/2012
Westfield Acres Urban Renewal Associates II, LP	Neighborhood Preservation Balanced Housing Program, NJDCA	$ 2,039,437	12/1/2057	1.00% compounded annually	Note C	Annual repayments made from 50% of available cash flow; any unpaid amounts due at maturity	2,039,437	2,039,437
Westfield Acres Urban Renewal Associates II, LP	Federal Home Loan Bank	$ 360,000	11/1/2057	0%	Note C	Due at maturity	360,000	360,000
Westfield Acres Urban Renewal Associates III, LP	Housing Authority of the City of Camden - HOPE VI	$ 747,729	6/1/2057	4.38% compounded annually	Note C	Due at maturity	747,729	747,729
Westfield Acres Urban Renewal Associates III, LP	Neighborhood Preservation Balanced Housing Program, NJDCA	$ 2,576,681	6/1/2057	1.00% compounded annually	Note C	Due at maturity	2,613,681	2,613,681
Westfield Acres Urban Renewal Associates III, LP	Federal Home Loan Bank	$ 365,000	6/1/2057	0%	Note C	Due at maturity	365,000	365,000
Glenbrook at Oxmoor I, LLC	Centerline Mortgage Partners, Inc.	$ 1,315,000	6/1/2040	7.61%	Note C	Monthly payments of principal and interest of $9,294	1,275,178	1,287,788
Glenbrook at Oxmoor I, LLC	Housing Authority of the Birmingham District - HOPE VI	$ 6,476,532	6/1/2059	4.02% compounded annually	Note C	Annual repayments made from 50% of available cash flow; any unpaid amounts due at maturity	6,476,532	6,476,532

Pennrose Development, LLC and Affiliates

Notes to Consolidated and Combined Financial Statements
December 31, 2013 and 2012

Entity	Lender Name	Total Commitment	Maturity Date	Interest Rate	Security/ Guaranty	Payment Terms	Outstanding Balance 12/31/2013	Outstanding Balance 12/31/2012
Glenbrook at Oxmoor II, LLC	Housing Authority of the Birmingham District	$ 613,454	At the earliest of the first disbursement of a construction or permanent loan from the Housing Authority of the Birmingham District, the date on which the Authority is advised that the development phase of the project has been abandoned, or the date on which the master development agreement is terminated.	0.00%	Note C	Due at maturity	206,800	206,800
Glenbrook at Oxmoor II, LLC	Housing Authority of the Birmingham District - HOPE VI	$ 460,533	At the earliest of the disbursement of the construction/permanent loan or 11/24/2010	0.00%	Notes C and D	Due at maturity	460,533	460,533
Glenbrook at Oxmoor III, LLC	Housing Authority of the Birmingham District - HOPE VI	$ 129,468	At the earliest of the first disbursement of a construction or permanent loan from the Housing Authority of the Birmingham District, the date on which the Authority is advised that the development phase of the project has been abandoned, or the date on which the master development agreement is terminated.	0.00%	Note C	Due at maturity	16,664	16,664

Entity	Lender Name	Total Commitment	Maturity Date	Interest Rate	Security/ Guaranty	Payment Terms	Outstanding Balance 12/31/2013	Outstanding Balance 12/31/2012
Glenbrook at Oxmoor III, LLC	Housing Authority of the Birmingham District - HOPE VI	$ 460,533	At the earliest of the disbursement of the construction/permanent loan or 11/24/2010	0.000%	Notes C and D	Due at maturity	460,533	460,533
Innovation Lofts Associates, LLC	Bank of America, N.A.	$ 16,500,000	2/9/2016	LIBOR Daily Floating Rate plus 275 basis points	Note C	Accrued and unpaid interest in arrears due monthly	6,712,889	-
							$ 32,622,401	$ 21,982,324

Note A: Guaranteed by PDLLC and collateralized by a security interest in all assets of PHQ, LLC.
Note B: Guaranteed by PDLLC.
Note C: Collateralized by the real property of the respective company or partnership.
Note D: Upon the decision to not proceed with completion of the project in March 2014, the ground lease fee paid was refunded and applied to the outstanding mortgage balance, satisfying it in full.
Note E: Guaranteed by PDLLC and PDLLC's owner members.

Aggregate maturities of the mortgages payable for the next five years and thereafter are as follows:

2014	$ 1,999,236
2015	82,102
2016	9,799,141
2017	1,721,235
2018	20,805
Thereafter	18,999,882
	32,622,401
Less current portion	(1,999,236)
Long-term mortgages payable	$ 30,623,165

Note 13 - Concentration of credit risk

The Company maintains its cash accounts at multiple financial institutions. At times, these balances may exceed the federal insurance limits. The Company also has escrows and reserves held by the mortgage lender and, at times, the balances may exceed the federal insurance limits. The Company has not experienced any losses with respect to its bank balances in excess of government provided insurance. Management believes that no significant concentration of credit risk exists with respect to these cash balances as of December 31, 2013.

Note 14 - Contingencies

The Company has provided various co-guarantees in connection with the development of real estate for affiliated entities which include development deficits, rent-up and operating deficits. The amounts obligated under these guarantees are limited by amount and period of time. Any required funding of development cost overruns has been recognized as an increase in the non-recognized portion of deferred development fee, which has not been reported as revenue in these consolidated and combined financial statements. For the years ended December 31, 2013 and 2012, the Company has not been obligated to fund any significant operating deficits under these guarantees.

As developer, the Company has posted letters of credit to provide for potential future working capital needs and various other requirements associated with the development of various properties in the amount of $273,781 and $529,606, respectively, as of December 31, 2013 and 2012.

As developer, the Company had guaranteed predevelopment and construction loan commitments of $165,129,380 for affiliated entities at December 31, 2013. As of December 31, 2013 and 2012, the amount outstanding under the predevelopment and construction loans is $119,537,406 and $150,169,997, respectively.

Note 15 - Lease agreements

Rental income

Commencing October 2005, PDLLC subleases a portion of the property to Pennrose Management Company, an affiliated entity. The lease expires in October 2015. Under the terms of the lease, Pennrose Management Company is obligated to pay a fixed monthly base rent of $8,005, along with an allocation equal to 37.73% of costs such as utilities, maintenance and office cleaning through September 30, 2015. For the years ended December 31, 2013 and 2012, rental income earned was $194,957 and $195,138, respectively. Minimum future rentals for each of the next two years follows:

2014	$	96,060
2015		80,050

Note 16 - Other disclosures of information eliminated in consolidation - lease agreement

Upon relocating the Philadelphia office to the current headquarters, which is owned by PHQ, LLC, an affiliated entity, an amended lease agreement commenced on May 2, 2005.

Under the terms of the lease, PDLLC is obligated to pay a fixed monthly base rent of $21,218 through August 31, 2030 to PHQ, LLC. The lease payment and corresponding rental income were eliminated during consolidation and therefore not reflected in the consolidated and combined statements of operations.

Minimum future rentals for the next five years are as follows:

2014	$	254,613
2015		254,613
2016		254,613
2017		254,613
2018		254,613

Note 17 - Subsequent events

Events that occur after the consolidated and combined balance sheet date but before the consolidated and combined financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidences about conditions that existed at the consolidated and combined balance sheet date are recognized in the accompanying consolidated and combined financial statements. Subsequent events which provide evidence about conditions that existed after the consolidated and combined balance sheet date require disclosure in the accompanying notes. Management evaluated the activity of the Company through June 13, 2014 (the date the consolidated and combined financial statements were available to be issued) and concluded that no subsequent events other than the matter related to payment of certain mortgages as disclosed in note 12 have occurred that would require recognition in the consolidated and combined financial statements or disclosure in the notes to the consolidated and combined financial statements.

Supplementary information

Pennrose Development, LLC and Affiliates

Consolidating and Combining Balance Sheet
December 31, 2013

	Combined Pennrose Development, LLC and Pennrose Properties, LLC	PHQ, LLC	Other Consolidating Entities	Eliminations	Total
Assets					
Current assets					
Cash	$ 3,975,390	$ 18,082	$ 188,735	$ -	$ 4,182,207
Development fees receivable	11,329,322	-	-	-	11,329,322
Advanced project costs receivable	1,689,929	-	-	(1,398)	1,688,531
Due from affiliates	837,989	-	1,250	-	839,239
Prepaid expenses and other assets	-	-	76,989	-	76,989
Marketable securities	310,827	-	-	-	310,827
Miscellaneous receivables	15,030	-	71,339	-	86,369
Total current assets	18,158,487	18,082	338,313	(1,398)	18,513,484
Deposits held in trust					
Tenant security deposits	2,110	-	56,466	-	58,576
Total deposits held in trust	2,110	-	56,466	-	58,576
Restricted deposits and funded reserves					
Escrows and reserves	-	-	1,220,002	-	1,220,002
Total restricted deposits and funded reserves	-	-	1,220,002	-	1,220,002
Property and equipment					
Land	-	30,000	1,847,978	-	1,877,978
Buildings and improvements	-	3,819,721	11,433,035	(632,670)	14,620,086
Construction in progress	-	-	17,329,711	-	17,329,711
Furniture, fixtures and equipment	240,931	277,729	324,053	-	842,713
Less accumulated depreciation	(151,523)	(1,046,537)	-	-	(1,198,060)
Total property and equipment	89,408	3,080,913	30,934,777	(632,670)	33,472,428
Other assets					
Investments in limited partnerships	5,278,161	-	-	(5,168,138)	110,023
Intangibles, net	-	47,407	669,727	-	717,134
Advanced project costs - long-term	7,245,077	-	-	-	7,245,077
Total other assets	12,523,238	47,407	669,727	(5,168,138)	8,072,234
Total assets	$ 30,773,243	$ 3,146,402	$ 33,219,285	$ (5,802,206)	$ 61,336,724

Pennrose Development, LLC and Affiliates

Consolidating and Combining Balance Sheet
December 31, 2013

	Combined Pennrose Development, LLC and Pennrose Properties, LLC	PHQ, LLC	Other Consolidating Entities	Eliminations	Total
Liabilities and Members' Equity					
Current liabilities					
Current portion on mortgages and notes payable	$ 1,000,000	$ 62,810	$ 936,426	$ -	$ 1,999,236
Accounts payable and accrued expenses	168,013	-	2,188,292	-	2,356,305
Accrued interest payable - current	11,703	6,752	-	-	18,455
Total current liabilities	1,179,716	69,562	3,124,718	-	4,373,996
Deposits and prepayment liabilities					
Prepaid rent	-	-	15,944	-	15,944
Tenant security deposits	2,110	-	56,610	-	58,720
Total deposits and prepayment liabilities	2,110	-	72,554	-	74,664
Long-term liabilities					
Mortgages and notes payable	3,000,000	2,640,187	24,982,978	-	30,623,165
Due to affiliates	-	-	784,233	(634,068)	150,165
Accrued interest payable	-	33,513	2,300,318	-	2,333,831
Total long-term liabilities	3,000,000	2,673,700	28,067,529	(634,068)	33,107,161
Total liabilities	4,181,826	2,743,262	31,264,801	(634,068)	37,555,821
Contingencies	-	-	-	-	-
Members' equity					
Members' equity	26,539,033	-	5,014,673	(5,168,138)	26,385,568
Noncontrolling interest	-	403,140	(3,060,189)	-	(2,657,049)
Accumulated other comprehensive income (loss)	52,384	-	-	-	52,384
Total members' equity	26,591,417	403,140	1,954,484	(5,168,138)	23,780,903
Total liabilities and members' equity	$ 30,773,243	$ 3,146,402	$ 33,219,285	$ (5,802,206)	$ 61,336,724

See Independent Auditor's Report.

Pennrose Development, LLC and Affiliates

Consolidating and Combining Balance Sheet
December 31, 2012

	Combined Pennrose Development, LLC and Pennrose Properties, LLC	PHQ, LLC	Other Consolidating Entities	Eliminations	Total
Assets					
Current assets					
Cash	$ 2,127,466	$ 2,792	$ 266,843	$ -	$ 2,397,101
Development fees receivable	9,759,682	-	-	-	9,759,682
Advanced project costs receivable	2,083,071	-	-	-	2,083,071
Due from affiliates	515,914	-	1,200	-	517,114
Prepaid expenses and other assets	-	-	42,553	-	42,553
Marketable securities	296,734	-	-	-	296,734
Miscellaneous receivables	498	-	386,624	-	387,122
Total current assets	14,783,365	2,792	697,220	-	15,483,377
Deposits held in trust					
Tenant security deposits	2,114	-	57,388	-	59,502
Restricted deposits and funded reserves					
Escrows and reserves	-	82,461	1,293,439	-	1,375,900
Property and equipment					
Land	-	30,000	4,461,917	-	4,491,917
Buildings and improvements	-	3,819,721	45,178,379	(632,670)	48,365,430
Construction in progress	-	-	324,174	-	324,174
Furniture, fixtures and equipment	196,340	277,729	1,105,165	-	1,579,234
Less accumulated depreciation	(128,229)	(920,823)	(6,606,322)	-	(7,655,374)
Total property and equipment	68,111	3,206,627	44,463,313	(632,670)	47,105,381
Other assets					
Investments in limited partnerships	120,002	-	-	24,661	144,663
Intangibles, net	-	56,592	723,914	-	780,506
Advanced project costs - long-term	7,037,062	-	-	-	7,037,062
Total other assets	7,157,064	56,592	723,914	24,661	7,962,231
Total assets	$ 22,010,654	$ 3,348,472	$ 47,235,274	$ (608,009)	$ 71,986,391

Pennrose Development, LLC and Affiliates

Consolidating and Combining Balance Sheet
December 31, 2012

	Combined Pennrose Development, LLC and Pennrose Properties, LLC	PHQ, LLC	Other Consolidating Entities	Eliminations	Total
Liabilities and Members' Equity					
Current liabilities					
Current portion on mortgages and notes payable	$ -	$ 62,810	$ 13,198	$ -	$ 76,008
Accounts payable and accrued expenses	217,283	-	234,172	-	451,455
Fair market value interest rate swap	8,611	-	-	-	8,611
Total current liabilities	225,894	62,810	247,370	-	536,074
Deposits and prepayment liabilities					
Prepaid rent	-	-	11,835	-	11,835
Tenant security deposits	2,114	-	57,510	-	59,624
Total deposits and prepayment liabilities	2,114	-	69,345	-	71,459
Long-term liabilities					
Mortgages and notes payable	-	2,700,389	19,205,927	-	21,906,316
Due to affiliates	-	-	1,070,060	(632,670)	437,390
Accrued interest payable	-	36,234	1,858,412	-	1,894,646
Total long-term liabilities	-	2,736,623	22,134,399	(632,670)	24,238,352
Total liabilities	228,008	2,799,433	22,451,114	(632,670)	24,845,885
Contingencies	-	-	-	-	-
Members' equity					
Members' equity	21,742,778	-	(24,661)	24,661	21,742,778
Noncontrolling interest	-	549,039	24,808,821	-	25,357,860
Accumulated other comprehensive income (loss)	39,868	-	-	-	39,868
Total members' equity	21,782,646	549,039	24,784,160	24,661	47,140,506
Total liabilities and members' equity	$ 22,010,654	$ 3,348,472	$ 47,235,274	$ (608,009)	$ 71,986,391

See Independent Auditor's Report.

Pennrose Development, LLC and Affiliates

Consolidating and Combining Statement of Operations and Comprehensive Income
Year Ended December 31, 2013

	Combined Pennrose Development, LLC and Pennrose Properties, LLC	PHQ, LLC	Other Consolidating Entities	Eliminations	Total
Operating income					
Development and consulting fees	$ 14,923,385	$ -	$ -	$ -	$ 14,923,385
Rental income	289,977	254,613	1,001,238	(254,613)	1,291,215
Total operating income	15,213,362	254,613	1,001,238	(254,613)	16,214,600
Operating expenses					
Salaries, payroll taxes and employee benefits	3,466,062	-	306,568	-	3,772,630
Professional fees	512,465	2,642	-	-	515,107
Property management fees	-	-	117,385	-	117,385
Rent	302,611	-	-	(254,613)	47,998
Miscellaneous taxes and licenses	273,762	-	-	-	273,762
Utilities	81,140	-	317,108	-	398,248
Office cleaning and other occupancy expenses	100,834	-	-	-	100,834
Telephone	69,033	-	-	-	69,033
Insurance	18,504	-	108,236	-	126,740
Real estate taxes	-	-	118,931	-	118,931
Travel and entertainment	202,147	-	-	-	202,147
Dues and memberships	18,669	-	-	-	18,669
Repairs and maintenance	-	-	351,859	-	351,859
Advertising and promotion	59,170	-	-	-	59,170
Office supplies and expense	196,830	-	212,406	-	409,236
Nonrecoverable development expenses	156,631	-	-	-	156,631
Contributions	44,405	-	-	-	44,405
Seminars and continuing education	6,941	-	-	-	6,941
Other income (expense)	-	-	41,456	-	41,456
Depreciation	23,294	125,714	1,360,227	-	1,509,235
Amortization	-	9,185	54,187	-	63,372
Total operating expenses	5,532,498	137,541	2,988,363	(254,613)	8,403,789
Net operating income (loss)	9,680,864	117,072	(1,987,125)	-	7,810,811
Other income (expenses)					
Impairment losses	-	-	(29,173,846)	-	(29,173,846)
(Loss) income from limited partnerships	21,074	-	-	-	21,074
Interest and other income	11,433	13	19,833	-	31,279
Gain on sale of marketable securities	10,079	-	-	-	10,079
Interest expense	(173,753)	(84,685)	(540,823)	-	(799,261)
Total other income (expenses)	(131,167)	(84,672)	(29,694,836)	-	(29,910,675)
Net income (loss)	9,549,697	32,400	(31,681,961)	-	(22,099,864)
Other comprehensive income (loss)					
Unrealized gain on marketable securities	12,516	-	-	-	12,516
Comprehensive income (loss)	9,562,213	32,400	(31,681,961)	-	(22,087,348)
Net comprehensive income (loss) allocated to noncontrolling interest	-	32,400	(31,528,496)	-	(31,496,096)
Net comprehensive income (loss) allocated to member	$ 9,562,213	$ -	$ (153,465)	$ -	$ 9,408,748

Pennrose Development, LLC and Affiliates

Consolidating and Combining Statement of Operations and Comprehensive Income
Year Ended December 31, 2012

	Combined Pennrose Development, LLC and Pennrose Properties, LLC	PHQ, LLC	Other Consolidating Entities	Eliminations	Total
Operating income					
Development and consulting fees	$ 12,748,672	$ -	$ -	$ -	$ 12,748,672
Sales - residential units	-	-	1,057,400	-	1,057,400
Rental income	291,089	254,613	1,405,677	(254,613)	1,696,766
Total operating income	13,039,761	254,613	2,463,077	(254,613)	15,502,838
Operating expenses					
Cost of sales - residential units	-	-	1,258,704	-	1,258,704
Salaries, payroll taxes and employee benefits	3,197,128	-	330,635	-	3,527,763
Professional fees	576,592	2,350	-	-	578,942
Property management fees	-	-	116,892	-	116,892
Rent	281,741	-	-	(254,613)	27,128
Miscellaneous taxes and licenses	314,281	-	-	-	314,281
Utilities	100,576	-	299,992	-	400,568
Office cleaning and other occupancy expenses	103,619	-	-	-	103,619
Telephone	67,143	-	-	-	67,143
Insurance	25,665	-	111,187	-	136,852
Real estate taxes	-	-	179,504	-	179,504
Travel and entertainment	203,839	-	-	-	203,839
Dues and memberships	20,075	-	-	-	20,075
Repairs and maintenance	-	300	214,231	-	214,531
Advertising and promotion	48,394	-	-	-	48,394
Office supplies and expense	201,000	-	203,393	-	404,393
Nonrecoverable development expenses	343,122	-	-	-	343,122
Contributions	61,220	-	-	-	61,220
Seminars and continuing education	5,784	-	-	-	5,784
Lease-up expense	-	-	89,572	-	89,572
Depreciation	18,610	125,714	1,360,227	-	1,504,551
Amortization	-	3,827	54,187	-	58,014
Total operating expenses	5,568,789	132,191	4,218,524	(254,613)	9,664,891
Net operating income (loss)	7,470,972	122,422	(1,755,447)	-	5,837,947
Other income (expenses)					
Income from limited partnerships	17,153	-	-	(111)	17,042
Interest and other income	6,810	83	21,857	-	28,750
Interest expense	(113,476)	(117,221)	(527,646)	-	(758,343)
Total other income (expenses)	(89,513)	(117,138)	(505,789)	(111)	(712,551)
Net income (loss)	7,381,459	5,284	(2,261,236)	(111)	5,125,396
Other comprehensive income (loss)					
Unrealized gain on marketable securities	22,382	-	-	-	22,382
Realized gain on interest rate swap	-	48,804	-	-	48,804
Comprehensive income (loss)	7,403,841	54,088	(2,261,236)	(111)	5,196,582
Net comprehensive income (loss) allocated to noncontrolling interest	-	54,088	(2,159,951)	-	(2,105,863)
Net comprehensive income (loss) allocated to member	$ 7,403,841	$ -	$ (101,285)	$ (111)	$ 7,302,445

See Independent Auditor's Report.

DUVERNAY + BROOKS LLC
Financial Statements
December 31, 2013

GRODSKY CAPORRINO & KAUFMAN, LLP
CERTIFIED PUBLIC ACCOUNTANTS

ANTHONY CAPORRINO, CPA
GREG DeCASTROS, CPA
ANTHONY GRACI, CPA

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INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

To the Member of
Duvernay + Brooks LLC
New York, New York

We have compiled the accompanying balance sheet of Duvernay + Brooks LLC as of December 31, 2013, and the related statements of income, changes in member's equity, and cash flows for the year then ended. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether these financial statements are in accordance with accounting principles generally accepted in the United States of America.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Grodsky, Caporrino + Kaufman LLP

June 24, 2014

300 Jericho Quadrangle • Jericho NY 11753 • Tel: (516) 829-5559 • Fax: (516) 829-5471

DUVERNAY + BROOKS LLC
Balance Sheet

DECEMBER 31, 2013

ASSETS		
CURRENT ASSETS		
Cash	$	162,549
Accounts receivable		202,782
Prepaid expenses and other		16,707
TOTAL CURRENT ASSETS		382,038
PROPERTY AND EQUIPMENT - net		33,328
OTHER ASSETS		
Investment in joint ventures		199,143
Security deposit		5,322
TOTAL ASSETS	**$**	**619,831**
LIABILITIES AND MEMBER'S EQUITY		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	$	17,197
Profit sharing payable		45,500
TOTAL LIABILITIES		62,697
MEMBER'S EQUITY		557,134
TOTAL LIABILITIES AND MEMBER'S EQUITY	**$**	**619,831**

See accompanying accountant's compilation report and notes to financial statements.

DUVERNAY + BROOKS LLC
Statement of Income

YEAR ENDED DECEMBER 31, 2013

REVENUES	
Consulting fees	$ 1,230,160
Developers fees	332,030
TOTAL REVENUES	1,562,190
SELLING, GENERAL & ADMINISTRATIVE EXPENSES	
Staff salaries	651,341
Employee benefits	106,912
Owner's compensation	100,000
Rent	65,044
Professional fees	60,084
Outside labor / Consultants	57,513
Profit sharing	47,045
Payroll taxes	42,717
Insurance	26,382
Telephone	21,811
Office repairs and maintenance	20,857
Travel, meals and entertainment	17,666
Miscellaneous	13,447
Depreciation and amortization	12,188
Charitable contributions	11,402
Office supplies and expense	10,507
Postage and delivery	2,938
Equipment rental	2,036
TOTAL SELLING, GENERAL & ADMINISTRATIVE EXPENSES	1,269,890
INCOME FROM OPERATIONS BEFORE OTHER INCOME/(EXPENSE)	292,300
OTHER INCOME/(EXPENSE)	
Income from developer ventures	48,768
Interest expense	(748)
TOTAL OTHER INCOME/(EXPENSE)	48,020
NET INCOME	**$ 340,320**

See accompanying accountant's compilation report and notes to financial statements.

DUVERNAY + BROOKS LLC

Statement of Changes in Member's Equity

YEAR ENDED DECEMBER 31, 2013

MEMBER'S EQUITY AT DECEMBER 31, 2012	$	518,241
Net income		340,320
Distributions		(301,427)
MEMBER'S EQUTY AT DECEMBER 31, 2013	**$**	**557,134**

See accompanying accountant's compilation report and notes to financial statements.

DUVERNAY + BROOKS LLC
Statement of Cash Flows

YEAR ENDED DECEMBER 31, 2013

CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	$	340,320
Adjustment to reconcile net income to net cash provided by operating activities		
Depreciation and amortization		12,188
Increase in accounts receivable		(61,223)
Increase in prepaid expenses and other		(1,653)
Decrease in investment in joint ventures		109,959
Decrease in accounts payable and accrued expenses		(2,256)
Increase in profit sharing payable		1,500
Total adjustments		58,515
NET CASH PROVIDED BY OPERATING ACTIVITIES		398,835
CASH FLOWS FROM FINANCING ACTIVITIES		
Distributions		(301,427)
Decrease in Due to Affiliate		(200,659)
CASH USED IN FINANCING ACTIVITIES		(502,086)
NET DECREASE IN CASH		(103,251)
CASH - BEGINNING		265,800
CASH - ENDING	**$**	**162,549**
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Interest paid	$	748
Income tax paid	$	-

See accompanying accountant's compilation report and notes to financial statements.

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Organization – Duvernay + Brooks LLC (the "Company") was organized in May 1999 and is principally engaged in providing financial and management consulting services to public and private sector developers of affordable housing communities throughout the United States. The Company is also a development partner on urban revitalization and affordable housing development projects.

B. Cash and Equivalents – The Company considers all highly liquid instruments with an original maturity of three months or less to be cash equivalents.

C. Accounts Receivable and Revenue Recognition – The Company recognizes revenue as services are rendered. The Company provides an allowance for losses on accounts receivable based on a review of the current status of existing receivables and management's evaluation of periodic aging of accounts. At December 31, 2013, management has determined that no allowance is required.

D. Property and Equipment – Property and equipment are comprised of equipment, furniture and fixtures and leasehold improvements. Acquisitions of property and equipment are capitalized in their respective accounts at cost. Ordinary maintenance and repair items are charged directly against current income. When assets are retired or otherwise disposed of, the cost and the related depreciation are removed from the accounts, and any resulting gain or loss is recognized in the statement of income. For financial reporting purposes, equipment and furniture and fixtures are depreciated using the straight-line method over the estimated useful lives of the assets ranging from five to seven years. For income tax reporting purposes, depreciation is recorded using an accelerated method. For financial reporting purposes, improvements are depreciated over the related lease term. For income tax reporting, leasehold improvements are depreciated over fifteen years.

E. Income Taxes – The Company is a single member limited liability company and is treated as a disregarded entity for income tax purposes. Consequently, federal, state and local income taxes have not been provided for by the Company. The Member is taxed on its share of the Company's earnings.

F. Use of Estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Estimates are used when accounting for certain items such as depreciation and amortization and expense accruals.

G. Owner's Compensation – Owner's compensation is for services rendered by the owner and is accounted for as an expense of the Company.

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

H. Impairment of Long-Lived Assets – The Company periodically reviews whether changes have occurred that would require revisions to the carrying amounts of long-lived assets. When the sum of expected future cash flows (undiscounted and without interest charges) is less than the carrying amount of the asset, an impairment loss is recognized based on the fair value of the asset. At December 31, 2013, management has determined that no impairment needs to be recognized.

I. Developer Joint Ventures – The Company has entered into joint venture agreements with other developers on certain large real estate housing projects. The Company records its share of developers' fees and expenses in accordance with the joint venture agreements.

J. Subsequent Events – Management has evaluated subsequent events through June 24, 2014, which is the date the financial statements were available to be issued, and concluded that no subsequent events have occurred that require adjustment to or disclosure in the financial statements.

NOTE 2 - PROPERTY AND EQUIPMENT

Property and equipment are comprised of the following at December 31, 2013:

Equipment	$	27,316
Furniture and fixtures		50,802
Improvements		55,035
		133,153
Less: Accumulated depreciation		99,825
Total	$	33,328

NOTE 3 - DUE TO AFFILIATE

The Company entered into a loan agreement with an affiliate. The loan is non-interest bearing and is payable solely from the sales proceeds of cooperative units owed to the Company from a joint venture project. The loan was repaid in April 2013.

NOTE 4 - PROFIT SHARING PLAN

The Company sponsors a 401(k) profit sharing plan (the "Plan") which covers eligible employees as defined in the Plan document. Employees may contribute up to 100% of their eligible compensation, subject to the limits of Section 401(k) of the Internal Revenue Code. The Plan provides for a discretionary profit sharing contribution as determined by management on an annual basis and calls for full vesting upon entry into the Plan.

NOTE 5 - CONCENTRATIONS OF CREDIT RISK

For the year ended December 31, 2013, the Company had four major customers that accounted for approximately 38% of total revenue.

The Company maintains its cash balances at a financial institution, which at times may exceed federally insured limits. As of December 31, 2013, the Company did not exceed the insured limits.

NOTE 6 - COMMITMENTS AND CONTINGENCIES

A. The Company leases office space in New York City through June 2016. The future minimum annual rental payments are as follows:

For the years ending December 31,	Amount
2014	$ 66,771
2015	68,774
2016	34,895
Total	$ 170,440

In addition to the above annual rental payments, the Company is obligated to pay its share of operating costs on the leased premises.

B. The Company is subject to the usual performance obligations associated with entering into consulting and developer agreements.

DUVERNAY + BROOKS LLC
Financial Statements
Year Ended December 31, 2014

DUVERNAY + BROOKS LLC
Financial Statements
Year Ended December 31, 2014

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GRODSKY CAPORRINO & KAUFMAN, LLP
CERTIFIED PUBLIC ACCOUNTANTS

ANTHONY CAPORRINO, CPA
GREG DeCASTROS, CPA
ANTHONY GRACI, CPA

Members
AICPA
NYSSCPA

WWW.GCKCPA.COM

INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

To the Member of
Duvernay + Brooks LLC
New York, New York

We have compiled the accompanying balance sheet of Duvernay + Brooks LLC as of December 31, 2014, and the related statements of income, changes in member's equity, and cash flows for the year then ended. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether these financial statements are in accordance with accounting principles generally accepted in the United States of America.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

March 3, 2015

300 Jericho Quadrangle • Jericho NY 11753 • Tel: (516) 829-5559 • Fax: (516) 829-5471

DUVERNAY + BROOKS LLC
Balance Sheet

DECEMBER 31, 2014

ASSETS		
CURRENT ASSETS		
Cash	$	461,374
Accounts receivable		57,755
Prepaid expenses and other		16,457
TOTAL CURRENT ASSETS		535,586
PROPERTY AND EQUIPMENT - net		21,192
OTHER ASSETS		
Investment in developer joint ventures		199,143
Security deposit		5,646
TOTAL ASSETS	**$**	**761,567**
LIABILITIES AND MEMBER'S EQUITY		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	$	34,575
Profit sharing payable		45,500
TOTAL LIABILITIES		80,075
MEMBER'S EQUITY		681,492
TOTAL LIABILITIES AND MEMBER'S EQUITY	**$**	**761,567**

See accompanying independent accountant's compilation report and notes to financial statements.

DUVERNAY + BROOKS LLC
Statement of Income

YEAR ENDED DECEMBER 31, 2014

REVENUES		
Consulting fees	$	853,481
Developers fees		791,583
TOTAL REVENUES		1,645,064
SELLING, GENERAL & ADMINISTRATIVE EXPENSES		
Staff salaries		692,547
Owner's compensation		150,000
Employee benefits		111,780
Outside labor / Consultants		68,655
Rent		66,611
Payroll taxes		45,973
Profit sharing		45,500
Professional fees		44,051
Insurance		35,705
Miscellaneous		27,764
Telephone		25,298
Office repairs and maintenance		20,835
Travel, meals and entertainment		16,574
Office supplies and expense		14,397
Charitable contributions		13,684
Depreciation and amortization		12,136
Bad debt expense		11,620
Equipment rental		2,406
Postage and delivery		2,004
TOTAL SELLING, GENERAL & ADMINISTRATIVE EXPENSES		1,407,540
INCOME FROM OPERATIONS BEFORE OTHER INCOME		237,524
OTHER INCOME		
Income from developer joint ventures		154,549
Interest income		13
TOTAL OTHER INCOME		154,562
NET INCOME	**$**	**392,086**

See accompanying independent accountant's compilation report and notes to financial statements.

DUVERNAY + BROOKS LLC
Statement of Changes in Member's Equity

YEAR ENDED DECEMBER 31, 2014

MEMBER'S EQUITY AT DECEMBER 31, 2013	$	557,134
Net income		392,086
Distributions		(267,728)
MEMBER'S EQUITY AT DECEMBER 31, 2014	**$**	**681,492**

See accompanying independent accountant's compilation report and notes to financial statements.

DUVERNAY + BROOKS LLC
Statement of Cash Flows

YEAR ENDED DECEMBER 31, 2014

CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	$	392,086
Adjustment to reconcile net income to net cash provided by operating activities		
Depreciation and amortization		12,136
Decrease in accounts receivable		145,027
Increase in security deposit		(324)
Decrease in prepaid expenses and other		250
Increase in accounts payable and accrued expenses		17,378
Total adjustments		174,467
NET CASH PROVIDED BY OPERATING ACTIVITIES		566,553
CASH FLOWS FROM FINANCING ACTIVITIES		
Distributions		(267,728)
CASH USED IN FINANCING ACTIVITIES		(267,728)
NET INCREASE IN CASH		298,825
CASH - BEGINNING		162,549
CASH - ENDING	**$**	**461,374**
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Interest paid	$	-
Income tax paid	$	-

See accompanying independent accountant's compilation report and notes to financial statements.

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Organization – Duvernay + Brooks LLC (the "Company") was organized in May 1999 and is principally engaged in providing financial and management consulting services to public and private sector developers of affordable housing communities throughout the United States. The Company also receives developer fees on certain urban revitalization and affordable housing development projects.

B. Cash and Equivalents – The Company considers all highly liquid instruments with an original maturity of three months or less to be cash equivalents.

C. Accounts Receivable and Revenue Recognition – The Company recognizes revenue as services are rendered. The Company provides an allowance for losses on accounts receivable based on a review of the current status of existing receivables and management's evaluation of periodic aging of accounts. At December 31, 2014, management has determined that no allowance is required.

D. Property and Equipment – Property and equipment are comprised of equipment, furniture and fixtures and leasehold improvements. Acquisitions of property and equipment are capitalized in their respective accounts at cost. Ordinary maintenance and repair items are charged directly against current income. When assets are retired or otherwise disposed of, the cost and the related depreciation are removed from the accounts, and any resulting gain or loss is recognized in the statement of income. For financial reporting purposes, equipment and furniture and fixtures are depreciated using the straight-line method over the estimated useful lives of the assets ranging from five to seven years. For income tax reporting purposes, depreciation is recorded using an accelerated method. For financial reporting purposes, improvements are depreciated over the related lease term. For income tax reporting, leasehold improvements are depreciated over fifteen years.

E. Income Taxes – The Company is a single member limited liability company and is treated as a disregarded entity for income tax purposes. Consequently, federal, state and local income taxes have not been provided for by the Company. The Member is taxed on its share of the Company's earnings.

F. Use of Estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Estimates are used when accounting for certain items such as depreciation and amortization and expense accruals.

G. Owner's Compensation – Owner's compensation is for services rendered by the owner and is accounted for as an expense of the Company.

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

H. Impairment of Long-Lived Assets – The Company periodically reviews whether changes have occurred that would require revisions to the carrying amounts of long-lived assets. When the sum of expected future cash flows (undiscounted and without interest charges) is less than the carrying amount of the asset, an impairment loss is recognized based on the fair value of the asset. At December 31, 2014, management has determined that no impairment needs to be recognized.

I. Developer Joint Ventures – The Company has entered into joint venture agreements with other developers on certain large real estate housing projects. The Company records its share of developers' fees and expenses in accordance with the joint venture agreements.

J. Subsequent Events – Management has evaluated subsequent events through March 3, 2015, which is the date the financial statements were available to be issued, and concluded that no subsequent events have occurred that require adjustment to or disclosure in the financial statements.

NOTE 2 - PROPERTY AND EQUIPMENT

Property and equipment are comprised of the following at December 31, 2014:

Equipment	$	27,317
Furniture and fixtures		50,802
Improvements		55,035
		133,154
Less: Accumulated depreciation		111,962
Total	$	21,192

NOTE 3 - PROFIT SHARING PLAN

The Company sponsors a 401(k) profit sharing plan (the "Plan") which covers eligible employees as defined in the Plan document. Employees may contribute up to 100% of their eligible compensation, subject to the limits of Section 401(k) of the Internal Revenue Code. The Plan provides for a discretionary profit sharing contribution as determined by management on an annual basis and calls for full vesting upon entry into the Plan.

NOTE 4 - CONCENTRATIONS OF CREDIT RISK

For the year ended December 31, 2014, the Company had four major customers that accounted for approximately 68% of total revenue.

The Company maintains its cash balances at a financial institution, which at times may exceed federally insured limits. As of December 31, 2014, the Company exceeded the insured limits by approximately $225,000. Management believes the Company is not exposed to any significant credit risk.

NOTE 5 - COMMITMENTS AND CONTINGENCIES

A. The Company leases office space in New York City through June 2016. The future minimum annual rental payments are as follows:

For the years ending December 31,	Amount
2015	$ 68,774
2016	34,895
Total	$ 103,669

In addition to the above annual rental payments, the Company is obligated to pay its share of operating costs on the leased premises.

B. The Company is subject to the usual performance obligations associated with entering into consulting and developer agreements.

Gardner Capital Development Inc.

FINANCIAL STATEMENT CERTIFICATION

December 31, 2014

The financial statements and schedules contained herein are unaudited and have been prepared from the books and records of the Company. In the opinion of management, the financial statements truly and accurately reflect the financial condition of the Company as of this date.

Adam Horton, Chief Financial Officer
Gardner Capital Development, Inc.

Gardner Capital Development, Inc.
Balance Sheet
December 31st, 2014

Current Assets		
Cash	$	1,000,000
Developer Fee Receivable	$	900,000
Due From Related Parties	$	559,691
Notes Receivable	$	23,391,994
Total Current Assets	$	25,851,685
Land	$	2,787,407
Construction In Process (Office Building)	$	1,078,189
Property and Equipment		
Property	$	564,631
Leasehold Improvements	$	16,793
Accumulated Depreciation	$	(386,959)
Net Property and Equipment	$	194,466
Other Assets		
Developer Fee Receivables	$	340,003
Due From Related Parties	$	558,593
Total Other Assets	$	898,597
Total Assets	$	30,810,342
Current Liabilities		
Accrued Interest	$	50,397.09
Notes Payable	$	11,344,795.12
Capital Contributions Payable	$	3,915,346.88
Total Current Liabilities	$	15,310,539.09
Long Term Notes Payable	$	2,077,180.80
Owner's Equity	$	13,422,622.60
Total Liabilities and Owners Equity	$	30,810,342.49

Mark E. and Valia M. Gardner
Statement of Net Worth
December 31st, 2014

	December 31st, 2014	December 31st, 2013
Assets		
Cash	$ 734,522	$ 591,726
Investments		
Marketable Securities	$ 1,358,465	$ 1,620,095
Closely Held Stock	$ 483,000	$ 5,000
Gardner Development, LLC	$ 260,000	$ 1,985,000
Gardner Capital, Inc.	$ 15,000	$ 974,000
DCI Construction Inc.	$ 82,000	$ 450,000
Gardner Capital Development, Inc. (50% Ownership)	$ 11,408,700	$ -
Mid America Management		$ 100,000
Carlson Gardner		$ 396,000
Branson Sign Leasing	$ 200,000	$ 200,000
Gardner Properties of Springfield, LLC	$ 4,810,000	$ 3,895,000
Fox Grape, LLC	$ 546,000	$ 750,000
G&G Salem Properties, LLC	$ 137,000	$ 128,000
Gardner SNI		$ 1,007,000
NJRF, LLC	$ 83,000	$ 78,000
South Oaks Centre, Inc.	$ 651,000	$ 583,000
Equine Valley Estates, LLC	$ 141,000	$ 134,000
Dardenne Prairie Property, LLC	$ 100,000	$ 100,000
St. Peters Property, LLC	$ 423,000	$ 423,000
Tax Credit Syndication Entities	$ 25,061,000	$ 35,056,000
Vested Interest in deferred profit sharing plans	$ 374,400	$ 358,310
IRA Account	$ 41,866	$ 18,350
Real Estate		
Personal Residence	$ 2,500,000	$ 2,500,000
Marshfield horse arena land, 48 acres (sold 20 acres in '14)	$ 135,000	$ 1,057,000
Personal Property	$ 565,000	$ 580,000
	$ 50,109,953	$ 52,989,481
Liabilities		
Mortgage Payable	$ 950,557	$ 1,052,690
Marshfield Payable	$ 244,795	$ 671,868
Other Notes Payable	$ 8,079,913	$ 6,336,882
Total Liabilities	$ 9,275,265	$ 8,061,440
Net Worth	$ 40,834,688	$ 44,928,040
	$ 50,109,953	$ 52,989,481

Note: These financial statements are true and correct according to the best of my information and belief.

Mark E. Gardner

GARDNER CAPITAL

July 7, 2015

To Whom It May Concern:

The present financial condition of Gardner Capital Development, Inc. is materially the same as that shown on the 2014 balance sheet and income statement submitted.

Please note there were no 2013 corporate financials prepared. As a substitute, we have submitted a Statement for Net Worth for Mark E. and Valia M. Gardner, as of December 31, 2013.

Sincerely,

Adam C. Horton
Chief Financial Officer

www.GardnerCapital.com

1414 E. PRIMROSE ST. | SUITE 100 | SPRINGFIELD, MO 65804 417.447.1800

Orchard Ridge | Baltimore, MD

3 DEVELOPMENT TEAM QUALIFICATIONS AND PROPOSALS FOR PROJECT SITE

3.6 | KEY PERSONNEL AND PROFESSIONAL CONSULTANTS FOR THE PROPOSED PROJECT

A. DEVELOPMENT TEAM'S QUALIFICATIONS

Miami Redevelopment Partners (MRP) is formed by three extraordinary organizations with experience and capacity that makes us uniquely qualified to see PHCD's vision for the Liberty Square and Lincoln Gardens through to reality –**Gardner Florida, Pennrose Properties, and Duvernay + Brooks (D+B).**

MRP has also assembled a development team with unsurpassed qualifications, expertise and local knowledge to implement the Liberty Rising redevelopment, including **Wallace Roberts & Todd (WRT)**, the nation's leading architect for affordable housing and public housing revitalization. Miami-based WRT staff will lead its work on the Liberty Square and Lincoln Gardens redevelopment. As insuring that the new developments address crime and safety issues that will be essential to the quality of life of Liberty Square and Lincoln Gardens residents and the long-term viability of the redevelopment, our planning team also includes **Ken Stapleton & Associates**, a Miami-based firm specializing in incorporating Crime Prevention Through Environmental Design (CPTED) into redevelopment plans.

Catalyst Miami, a Miami-based non-profit will serve as a consultant to the MRP Team to advise on community outreach, organizing and capacity building to help undertake a community planning process to insure that residents, neighbors, community organizations and other stakeholders provide input into the design of the new developments. **The South Florida Regional Planning Council** (SFRPC) has also offered its assistance to MRP to help organize and conduct a community and stakeholder planning process.

HGF, Inc. will provide MRP with outreach, recruitment, and monitoring to achieve MBE, WBE, DBE and Section 3 project goals. HGF is a minority-owned and woman-owned consulting firm with extensive experience with public housing redevelopment, including Miami's Scott-Carver HOPE VI. **Klein Hornig LLP** will serve as legal counsel to MRP. Klein Hornig is one of the nation's premier firms concentrating exclusively on affordable housing and community development, with extensive experience on complex, mixed finance public housing redevelopments and on affordable housing throughout Florida.

MRP will be advised on the complex and sensitive process of relocating Liberty Square residents to the new Liberty Square and Lincoln Gardens developments by **Housing Opportunities Unlimited (HOU)**, a consulting firm specializing in developing and implementing relocation plans for public housing revitalizations. HOU also brings to the team 20 years of experience developing community and supportive service plans and coordinating on-site resident services for public housing redevelopments nationwide. In addition, **Catalyst Miami, SFRPC and Florida International University's Herbert Wertheim College of Medicine** have committed to working with MRP to provide community and supportive services to the residents of the redeveloped communities.

MRP will oversee property management of the redeveloped Liberty Square and Lincoln gardens through **Pennrose Management Company (PMC),** one of the nation's largest managers of affordable and mixed income housing, with over 150 properties containing more than 9,500 units under management.

Pennrose Properties

Pennrose Properties is a private full-service real estate development firm, which has been active in real estate development since 1981. During this time, Pennrose has developed over 14,000 rental housing units. In the last 5 years alone, representing over $1 billion in total development costs financed by a variety of public and private sources.

Pennrose's portfolio includes more than 200 distinct developments in 11 states plus the District of Columbia, the vast majority of which Pennrose continues to own and manage, currently has more than

1,000 units currently under construction in 15 developments. Pennrose has achieved an outstanding reputation for excellence, both in the quality of residential units produced and in the manner in which they are maintained. Pennrose is one of the leading developers in the nation of mixed-finance projects, has been a designated redeveloper in over 80 municipalities, and regularly helps cities transform underutilized sites into thriving mixed-use economic development engines.

In recent years Pennrose has specialized in large scale, multi-phase urban revitalization projects and has developed over 85 mixed-finance public housing developments. Pennrose repeatedly demonstrates its skill at leading complex multi-phased projects through the stages of comprehensive community planning, site planning, and implementation, and shows the commitment to actively engage and manage the community outreach process that is so crucial to the success of all of those stages.

Gardner Florida

Gardner Florida is a subsidiary of Gardner Capital, a full service real estate developer, investor and syndicator. Formed in 2014 to develop affordable and mixed income projects throughout Florida, Orlando-based Gardner Florida staff has extensive experience developing affordable housing throughout the State. Gardner Florida Managing Director Joe Chambers began his career in Housing Authority Redevelopment work with Picerne Development where he worked to close over 800 units, including four mixed-finance developments with Daytona Beach Housing Authority and the Winter Haven Housing Authority.

Mr. Chambers joined Michaels Development Company to expand their presence in Florida. While at Michaels, he closed multiple developments in Alabama, Florida, and Mississippi while also expanding the company presence into new markets including Atlanta and Miami. In neighboring Sarasota, he led the redevelopment effort with the Sarasota Housing Authority of the old Janie Poe housing project into a completely new three phase development.

After developing more than 2,000 units in the Southeast, Joe joined Gardner Capital as a Managing Director to lead all Southeast development. Currently, in Florida, Gardner has over 1,200 multi-family units in the predevelopment stages, including two market rate developments and five affordable housing developments. Gardner and D+B are also working with the Bradenton Housing Authority to redevelop its remaining public housing community through FHFC's LIHTC program.

Gardner has extensive experience working through the local government approval process throughout the State of Florida, including Miami-Dade County and The City of Miami, and extensive experience with all Florida Housing Finance Corporation affordable housing finance programs.

Duvernay + Brooks

D+B combines broad, general affordable housing finance and real estate development experience with a deep understanding of the issues faced by public housing authorities and the particular complexities inherent in mixed-income, mixed-finance public housing development. Since the firm's founding in 1999, D+B has built an outstanding national reputation for financial, policy, and development consulting, specializing in public housing mixed finance revitalization.

D+B has advised housing authorities and private developers on more than 130 projects with 15,400 affordable and mixed income housing units and a total value of $2.4 billion, including significant experience in Florida as a development and financial advisor to the Sarasota Housing Authority. D+B has also served as the co-developer of projects with more than with more than 1,500 units, with a total value of $344 million, including mixed finance public housing redevelopments in Colorado, New York, Pennsylvania and Tennessee. D+B is a co-developer of the Prospect Plaza HOPE VI and the Cleaborn Homes HOPE VI revitalizations profiled in Section 3.5.

Architecture & Planning: Wallace, Roberts & Todd and Ken Stapleton Associates

Wallace, Roberts and Todd (WRT) will serve as the lead planning firm for the Liberty Square and Lincoln Gardens redevelopments. As further described in Section 3.8, WRT provides planning, urban design, architecture, and landscape architecture services for projects nationwide, and is one of the nation's most experienced and successful firms in planning and designing affordable housing and public housing revitalizations.

Improving safety and security for residents is an essential element in improving residents' health, well-being and quality of life, and is essential to insure the new developments have long-term viability and that they will catalyze economic development throughout Liberty City. Ken Stapleton & Associates (KSA) will help the MRP Team work with Miami-Dade County, PHCD, the residents and the community to address the challenge of safety at the redeveloped properties and the surrounding communities.

KSA will advise on their "Safedesign" approach to planning and development, which include focus groups with existing and prospective residents about safety requirements, community meetings about safety for the new developments, area analyses related to crime patterns, training for the community, police, service providers, and planning/design team, and assisting with communications strategies to enhance perceptions of safety from perspectives of existing and future residents and business tenants.

KSA has reviewed and assisted over 100 projects and plans, including DDA Miami, Florida International University, Safe Neighborhoods Plans- Miami Beach; the City of Sweetwater, Florida; the Riviera Beach Community Redevelopment Agency; and the University of Miami. For Riviera Beach, Florida, KSA developed an award winning plan to improve safety in the designated areas, including detailed physical improvements related to lighting, land use patterns, streetscape improvements, public art, way-finding, access control for vehicles and pedestrians, and bus shelter designs.

Community Planning: Catalyst Miami

Catalyst will assist MRP by facilitating a community planning process, helping organize and conduct community meetings, trainings and design charrettes to obtain community input into the planning of the new developments.

Formerly known as the Human Services Coalition of Dade County, Catalyst Miami was founded in 1996 as a Miami-based nonprofit 501(c)3 organization. Catalyst Miami identifies and launches innovative strategies to help people and communities thrive and to create a more equitable and caring society. Through initiatives such as the Miami Thrives Network, an initiative to build a large network of anti-poverty organizations, and Resilient Miami, an initiative to help organizations address climate change and its effect on low-income communities, Catalyst works to build capacity in community organizations and create networks across sectors to promote community well-being and create change that improves the quality of life for residents.

Catalyst Miami has consulted for a number of organizations in Miami-Dade County, including recently working in Liberty City with the Miami Children's Initiative on capacity development. Another example of Catalyst's experience is its work with Miami-Dade County District 8 & 9. In June 2015 Catalyst Miami designed and facilitated a solutions summit, which was attended by nearly 200 participants. Catalyst Miami helped facilitate three hour-long discussions on issues such as transportation, environment and the economy of South Dade (Districts 8 & 9).

Community Outreach and Section 3, Small and M/WBE Contracting Consulting: HGF, Inc.

MRP's development approach embraces the concept of creating opportunity within the communities we create by contracting with Disadvantaged, Minority, Women-owned and Section-3 Business Enterprises (D/M/WBE/Section-3) and local small businesses. As more fully described in Section 3.12, MRP will be advised on community outreach and on insuring we meet our employment and contracting

commitments by HGF, Inc., a woman and minority-owned business that provides a wide range of professional services including strategic plan development, marketing and project management services.

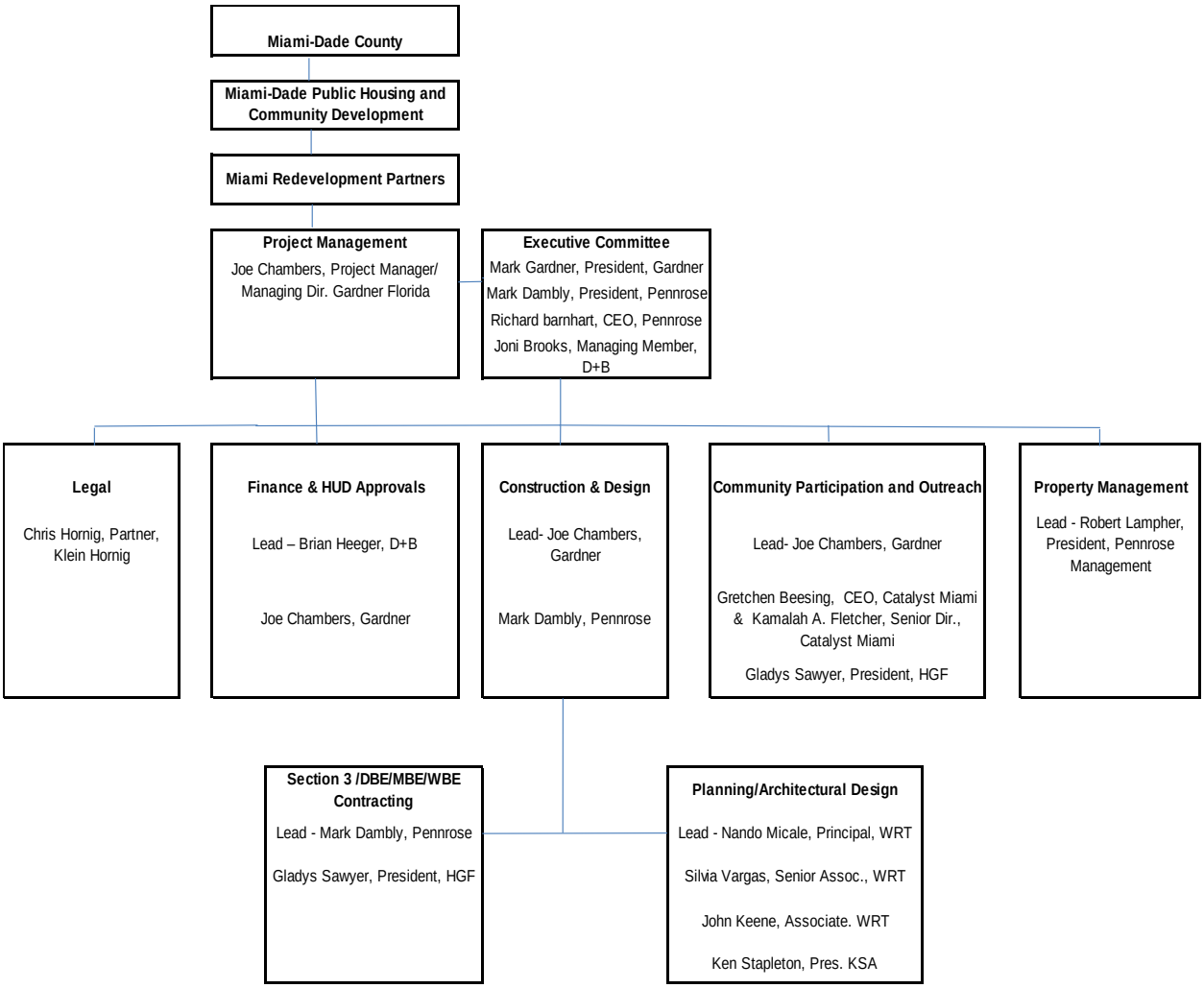
Relocation Consultant: Housing Opportunities Unlimited

Housing Opportunities Unlimited (HOU) is a consulting firm with over 30 years of experience providing relocation assistance and direct resident services in public and subsidized housing. The company has worked in a diverse range of low- and mixed income communities, and specializes in assisting communities that are in transition due to major redevelopment. HOU's clients include public housing authorities and resident organizations, and its projects have included providing relocation implementation, community and supportive services and/or consulting assistance at over 115 developments in eighteen states and the District of Columbia, including sixteen HOPE VI-funded projects. MOU has worked with housing authorities nationwide, including Boston, Chicago, Hartford, Houston, Newark (NJ), Pittsburgh, Portland, Seattle and Washington, D.C.

Legal: Klein Hornig LLP

As more fully described in Section 3.9, MRP will be able to call upon the tax, real estate and HUD legal expertise of Klein Hornig LLP. Klein Hornig is one of the nation's premier firms concentrating exclusively on affordable housing, with particular expertise in mixed finance public housing redevelopment.

B. LIBERTY RISING REDEVELOPMENT ORGANIZATION CHART



C. DEVELOPMENT TEAM'S KEY PERSONNEL

The members of Miami Redevelopment Partners will provide the staff to successfully finance, develop, lease up and manage the designated PHCD sites. Below is a breakdown of responsibilities and staff assignments.

Project Manager

Joe Chambers – Managing Director, Gardner Florida. Joe Chambers will serve as Project Manager for MRP's redevelopments, coordinating day-to-day redevelopment activities. Joe Chambers brings to Gardner Capital many years of affordable housing development, having led the development of more than 2,000 affordable housing units in Florida and the Southeast. Mr. Chambers was previously Vice President for The Michaels Development Company, where he was responsible for the development of affordable and mixed-finance projects in Alabama, Florida, Mississippi and Texas, and a project manager for Picerne Development, developing mixed finance public housing and other affordable housing developments throughout Florida. Mr. Chambers is based in Orlando - 205 E Central Boulevard, Suite 304, Orlando, FL 32801. Following selection, Miami Redevelopment Partners will open a local Miami office to manage the Liberty Rising revitalization efforts.

Brian Heeger – Managing Director, Duvernay + Brooks. Brian Heeger will serve as the lead Team member for financing and the HUD mixed finance, RAD and other HUD-related approvals. Mr. Heeger has 20 years of experience assisting public housing authorities and private developers in project planning and financial structuring using a wide variety of public and private financing sources, preparing tax credit, tax-exempt bond, and other financing applications, obtaining HUD, lender and investor approvals and closing transactions, and providing other financial, development, and strategic planning advisory services. Mr. Heeger is based in New York City - 2095 Broadway, Ste. 404, New York, NY 10023.

Executive Committee

An executive committee of the primary principals of Gardner, Pennrose and D+B will oversee the MRP Team's redevelopment activities, from initial planning through completion and lease-up, through weekly meetings/conference calls and other regular reports.

Mark Gardner, President, Gardner Capital. The founder and Principal of Gardner, Mark Gardner has been in the industry for his entire career. Prior to founding Garner Capital, Mr. Gardner practiced law for over 20 years, representing both developers and investors. Under his leadership, Gardner Capital has grown to operate in over 11 states with offices in 7 different locations across the country. Mr. Gardner is based in Springfield, Missouri - 1414 East Primrose, Suite 100, Springfield, Missouri 65804

Richard Barnhart, CEO, Pennrose Properties. Richard K. Barnhart began his career at Pennrose in 1985, and assumed the role of Chairman and Chief Executive Officer in 2004. He provides developmental oversight and leadership to both the Pennrose team of developers and the over 400 Pennrose employees. Mr. Barnhart's planning, development, financial management and implementation expertise provide solid direction and guidance for successful completion of each real estate development Pennrose undertakes. Mr. Barnhart is based in Philadelphia - One Brewery Park, 1301 North 31st Street, Philadelphia, PA 19121-4495.

Mark Dambly, President, Pennrose Properties. Mark H. Dambly became President of the firm in 2004. His vast experience in a variety of real-estate development arenas includes complex multi-funded transactions in both the affordable and market-rate housing markets. He leads the firm's development teams through every phase of the development process, from initial financing applications and approvals through closings and construction completion. He brings a proven financial capability, a record of accomplishment of successful properties planned and built on schedule, and a strong commitment to providing families and seniors with affordable, multifamily and market-rate housing. Mr. Dambly is based in Philadelphia - One Brewery Park, 1301 North 31st Street, Philadelphia, PA 19121-4495.

Joni Brooks, Managing Member, Duvernay + Brooks. D+B's Managing Member, Joni Brooks directs D+B's consulting and development practice. Ms. Brooks has over thirty years of experience in affordable housing, and serves as a financial advisor and development partner to housing authorities throughout the country. She assists clients and partners with the creation of financially feasible, large scale development plans, identifying and evaluating the availability of public and private resources required to implement redevelopments. Ms. Brooks is based in New York City - 2095 Broadway, Ste. 404, New York, NY 10023.

Other Development Team Members

Chris Hornig, Partner, Klein Hornig LLP. Klein Hornig's professional team for the Liberty Rising redevelopments will be led by Chris Hornig, a partner in the firm's Washington, DC office. Mr. Hornig is the former HUD Deputy Assistant Secretary for Public Housing Investments and one of the founding principal's of the firm. He has twenty-plus years' experience in the public housing mixed finance field and has represented both for-profit and nonprofit developers, as well as public housing authorities, in a number of complex large-scale revitalization projects. As the first Deputy Assistant Secretary of HUD for Public Housing Investments, Mr. Hornig had immediate and personal responsibility for understanding and reshaping all the various HUD rules impacting HOPE VI and "the reinvention of public housing." Mr. Hornig will serve as legal counsel to the MRP Team. He is based in Washington, D.C. - 1275 K Street NW, Suite 1200, Washington DC 20005.

Nando Micale, Principal/Architect + Planner + Urban Designer, WRT. Mr. Micale is an architect, planner and urban designer, with decades of experience in transforming our country's cities through the design of vital, sustainable neighborhoods. His work includes city-wide urban design plans, design of waterfront communities, suburban smart growth strategies, transit-oriented development, and urban infill projects. Mr. Micale is one of the nation's leading professionals in the design of mixed income neighborhoods, with successful HOPE VI communities in 12 states—totaling nearly 10,000 new homes. Mr. Micale is the principal-in-charge for the Liberty Rising redevelopment, overseeing the architectural planning and design team. He is based in Philadelphia - 1700 Market Street, Suite 2800, Philadelphia, PA 19103.

Silvia E. Vargas, Senior Associate/Planner, WRT. Ms. Vargas' professional practice encompasses planning at scales ranging from region-wide comprehensive plans to district-scale and campus master plans, to site-scale development plans. At WRT, Ms. Vargas has been a project manager for over 15 years, directing the creation of policy and urban design plans, regulatory tools and design guidelines throughout the US and abroad. Ms. Vargas has extensive public engagement experience and great sensitivity to the challenges of working with diverse stakeholders in the planning process. Prior to joining WRT, she was a Senior Planner in the Florida Keys (Monroe County). Ms. Vargas will serve as WRT project manager for the Liberty Rising redevelopment. She is based in Miami - 6619 South Dixie Highway, #348, Miami, FL 33143.

Ken Stapleton, President, Ken Stapleton & Associates. With over 30 years of urban revitalization and economic development experience, Mr. Stapleton has worked as a redevelopment expert in several South Florida cities, including work in Downtown Miami and South Beach. He is a recognized expert in urban safety programs, with CPTED certificates from the National Crime Prevention Institute and the Florida Crime Prevention Institute, including one for CPTED and Housing. Mr. Stapleton will advise the MRP Team on CPTED and related safety initiatives. He is based in Miami - 812 NE 191st Street, Miami, 33179.

Gladys Sawyer, President, HGF, Inc. HGF is a major provider of outreach, recruitment, monitoring and reporting plans for developers and public agencies engaged in projects governed by federal, state and/or local labor compliance guidelines aligned with specific MBE, WBE, DBE and Section 3 project goals. Ms. Sawyer founded HGF in 1998, and has advised public agencies and private firms on public housing redevelopments nationwide. Ms. Sawyer will advise MRP on community outreach and on

meeting M/WBE/DBE and Section 3 project goals. Ms. Sawyer is based in Memphis – 119 South Main, Ste. 500, Memphis, TN 38103.

Kamalah A. Fletcher, Senior Director of Community Engagement, Catalyst Miami. Ms. Fletcher is responsible for building community capacity for social change through designing and conducting trainings & leadership programs, as well as managing key advocacy initiatives and campaigns. Ms. Fletcher provides guidance and coordination in the development of Catalyst's Miami Thrives Network and its Social Justice Table. Ms. Fletcher will lead Catalyst's community planning advisory services for the MRP Team. Ms. Fletcher is based in Miami - 1900 Biscayne Boulevard, Ste. 200, Miami, FL 33132.

Eric Hearn, Executive Vice President, Housing Opportunities Unlimited. For over nineteen years, Mr. Hearn has directed on-site programs and provided technical assistance for HOU relocation, case management, resident services and evaluation programs. Under Mr. Hearn's oversight, HOU received a HUD Best Practice award for its comprehensive relocation and job development programs at Allequippa Terrace, a HOPE VI redevelopment effort in Pittsburgh, PA. Mr. Hearn's past experience includes supervising all HOU relocation contracts in Chicago, including those at St. Stephens Terrace, Cornerstone, and Marshall Field. Mr. Hearn will provide program oversight and quality control for HOU's relocation and resident services for the Liberty Rising redevelopment. Mr. Hearn is based in Pittsburgh - 411 Old Hickory Drive, Pittsburgh, PA 15235.

D. EXPERIENCE INTERACTING WITH RESIDENTS AND OBTAINING DESIGN INPUT

A strong community relationship is an essential component of every successful development, and the MRP Team had extensive experience engaging residents in planning developments and obtaining their input in the development process. MRP, working with Catalyst Miami and The South Florida Regional Planning Council, community organizations, and PHCD will develop a community planning process, including community meetings, trainings/capacity building workshops, and design charrettes.

MRP's lead planning firm, WRT, will lead the design and planning discussions/charrettes with the residents and the community. WRT's work is predicated on the belief that planning and design process is only as good as its ability to effectively communicate with the public, city government, school districts and other potential user groups. WRT has an extensive track record in helping clients manage complex and controversial situations. WRT is often retained by cities and counties, as well as private clients, to complete projects in which it is necessary to bring multiple and often opposing interest groups to a point of consensus and agreement on a way forward.

To facilitate a process of active participation by all entities and stake holders ,WRT has developed many tools over the years to engage current residents, community groups and neighbors in envisioning their future and understanding the language of planning and design, such as engaging the public in modeling games we've invented, and techniques designed to engage youth in the process. WRT employs multi-lingual staff, including many native Spanish speakers, to facilitate conduct of the meetings. Team consultant KSA will also be engaged to lead meetings/workshops to focus on enhancing neighborhood safety through good

One example of MRP members engaging residents in community planning is Pennrose's Overlook Park redevelopment. The resident and community engagement process involved six rounds of community workshops with residents and community stakeholder groups as well as meetings with the Housing Authority Board of Commissioners, City officials, and representatives of HUD and the Pennsylvania Housing Finance Authority (PHFA). The successful redevelopment project replaced two functionally obsolete public housing projects with a 269-unit mixed-income development.

In another example, Pennrose's Orchard Ridge development (profiled in Section 3.5), Pennrose worked closely with the Orchard Ridge Tenant Council (ORTC), who represented former public housing residents, convening monthly meetings and soliciting direct input on the plan, design, scheduling, construction, and

management. Through an MOU with ORTC, Pennrose established the accountability of its neighborhood partner, clearly identified roles and expected outcomes, and secured meaningful commitments from the Council to assist with resident programs and activities, after school and summer camp opportunities, and a Neighborhood Watch program.

E. EXPERIENCE INTERACTING WITH THE COMMUNITY AND THE MEDIA

MRP Team members have a long track record of gaining community and stakeholder support for large-scale, public housing and other urban redevelopments. MRP's efforts will be assisted in engaging the community and the media by HGF, Inc. which provides strategic marketing and community outreach public agencies and private firms, and by Catalyst Miami, which works throughout Miami to create support for community development initiatives.

One example of the developer team's past work is in Sarasota, Florida, where MRP member D+B lead a team of consultants assisting the Sarasota Housing Authority in planning for the redevelopment of three public housing sites, Janie Poe, Orange Avenue and The Courts, and Bertha Mitchell, in the historic Newtown neighborhood. D+B's team lead numerous meetings with residents and community organizations to secure support for the plans, as well as meetings and presentations to the City and the County Commissions to gain support for $17 million of City and County funding for the redevelopments.

F. EXPERIENCE IN COMPLETING COMPLEX PROJECTS PHASED CONSTRUCTION

The MRP Team brings unsurpassed experience in complex, multi-phase public housing and similar urban redevelopments, as can be seen in all of the projects highlighted in Section 3.5. An additional example is the Uplands Redevelopment, Baltimore, MD, at which Pennrose Properties is developing a 761-unit new construction development on the 63-acre site of a former 970-unit blighted development. Guided by a community driven plan and a more than 11 year public/private partnership between the Southwest Baltimore Community Development Corporation, Baltimore City's Planning, Housing, and Utility departments, federal, state, and surrounding communities, the $237 million multi-phased Uplands Redevelopment is becoming a reality.

G. EXPERIENCE OF THE DEVELOPMENT TEAM IN BUILDING MULTI-FAMILY UNITS FOR TDC OF NO MORE THAN $225,000 PER UNIT

Both the Cleaborn Homes (Heritage Landing) development in Memphis and the Orchard Ridge Redevelopment profiled in Section 3.5 have total development costs of less than $225,000 per residential unit. The MRP team has numerous other comparable projects with development costs below the $225,000 threshold that are on-going or completed in the last five years, including:

- **Burnwood Gardens** (Heritage Crest) in Glen Burnie, MD, a new construction development of a 100-unit, four-story elevator building;
- **Downtown Renaissance, Phase II**, a 232-unit, new construction public housing redevelopment in Mobile, AL consisting of single family and duplex homes;
- **Obery Court/College Creek Phase 2**, the on-going revitalization of two public housing developments, in Annapolis, Maryland, in five phases.
- **Maple Hills (Steiner Redevelopment)**, Chattanooga, TN, a new construction, LEED-certified, development the site of the former Steiner apartments for the Chattanooga Housing Authority.

3.7 | MANAGEMENT EXPERIENCE

A. EXPERIENCE OVERSEEING THE OPERATION, MANAGEMENT, MAINTENANCE AND FINANCIAL REPORTING FOR LOW-INCOME RENTAL BUILDINGS

Miami Redevelopment Partners (MRP), with the approval of PHCD, will select a qualified third party management company to partner with Pennrose Management Company (PMC) to manage the PHCD redevelopments, combining PMC's expertise and capacity in managing mixed finance public and other affordable housing with knowledge and experience in the Miami market.

PMC is a real estate management firm initially established in 1981 to provide management services exclusively for properties developed by Pennrose. Pennrose Management Company has earned a reputation for excellence in long-term management, maintenance, and the provision of social services. PMC currently has over 150 properties containing more than 9,500 units under management. Nearly all of the projects listed as Pennrose developed properties on the 10-year experience chart in Section 3.5 are managed by PMC.

PMC has extensive expertise in lease up, stabilization and ongoing management of affordable, mixed-income, and mixed-use rental properties. In addition, PMC specializes in managing HOPE VI redevelopments and Section 8 and Public Housing units and has extensive knowledge and experience in dealing with public housing requirements in the operation of rental units. PMC's management portfolio also includes conventional housing, non-PH affordable and commercial rentals.

PMC administers over $35 million in annual budgeted operations, with a staff of nearly 400 employees. The geographic area PMC currently serves includes Tennessee, Alabama, Pennsylvania, New Jersey, Maryland, Connecticut, New York, and Ohio. Its growth has averaged 1,000 to 1,500 units per year since inception, with even greater growth projected in the foreseeable future.

Pennrose Management Company participates in Pennrose's developments, from concept to planning, through design and development, and into construction of the housing units, well before they assume any management responsibility in the operation of the units. This type of participation better assures development of units that addresses effectively the needs of that population constituting the documented demand in the professional market studies. It also better assures adequate consideration of efficient functioning of common areas in the design of buildings, efficiencies in operating costs and proper design/careful selection of materials, fixtures and equipment to assure long-term durability and cost effective maintenance.

The pricing and marketability of the private equity investment will be directly impacted by the type and quality of management services to be provided to each development. Pennrose Management Company has earned a reputation for excellence in long-term management, maintenance, and the provision of social services. In addition, the guarantees of the developer general partner are tied, in large measure, to the performance of the management company.

PMC is regularly recognized for the expertise of its staff, and has won numerous awards and accolades for excellence in service. Recent awards have included the Paragon Award of Excellence in Affordable Housing by the National Apartment Association, Management Company of the Year by the New Jersey Apartment Association Garden State Awards, and Excellence Awards by MultiFamily Executive. A full list of awards and accolades can be found at www.Pennrose.com.

B. SPREADSHEET INDICATING PROPERTIES WITH VACANCY RATE EXCEEDING 5%

See attached.

C. AUDITED FINANCIAL STATEMENT FOR A COMPARABLE DEVELOMENT

See attached.

3.8 | ARCHITECT'S EXPERIENCE

WRT is a Philadelphia-based national planning and design firm with offices in Miami and San Francisco, and Our staff includes skilled professional architects, urban designers, landscape architects and planners, with experience in neighborhood revitalization and the redevelopment of public housing. As the nation's leading affordable housing architect, WRT is has helped create for over 10,000 units of affordable homes, and nearly 2,400 units of green housing in various stages of design and construction

The nation's seminal public housing redevelopment architecture and planning firm, WRT's Revitalization Plans have been awarded over $1 billion in implementation grants for nearly a third of the 132 participating public housing authorities, and are responsible for over 15,000 mixed-income housing units nationwide.

A. SAMPLE PROJECT DESCRIPTIONS

Orchard Ridge, Baltimore, MD

Community input during the master planning for the redevelopment of two contiguous public housing sites in northeast Baltimore indicated that the residents' preference was for a townhome-style community. The resulting WRT plan incorporated fully accessible rental flats that range from one to five bedrooms to be interlaced with two- and three-story rental townhomes throughout the site. Stacked end units on each building allow the upper units to have full porches at their side entries. The Towns at Orchard Ridge offers a variety of models, sizes and prices for homeowners. Two- and three-story townhomes provide a range of amenities and options, including multi-level ground floor plans and finished basements.

The variety of unit sizes and types encourages a socio-economically diverse community. Interaction and community involvement is fostered through small community parks, with walking paths and play areas designed for a variety of ages and physical abilities. Shared amenities also include a 5,000 SF Community Building. Private off-street parking is neatly concealed in the rear of all homes, preserving a neighborly connection between covered front porches and accessible sidewalks throughout the site.

Morris Canal/Lafayette Park, Jersey City NJ

WRT was part of a development team retained by the Jersey City Housing Authority to redevelop the former Lafayette Gardens public housing project in Jersey City, NJ. In 2001, WRT assisted the JCHA to apply for and was awarded a HUD HOPE VI Grant for the redevelopment of the site in the Morris Canal/Lafayette Park neighborhood, including several properties in the immediate neighborhood. Seven phases of redevelopment have produced an award winning, new mixed-income, mixed-use community.

The transformation plan includes three new senior mid-rise buildings and 33 new low-rise residential buildings that integrate low-income, moderate-income and market rate homes into a neighborhood experiencing strong market pressures due to its location along the Hudson Bergen Rail Line and several major transportation routes serving downtown Jersey City and New York City. The new homes are within a five-minute walk to transit, shopping, schools and parks. Two new civic spaces were created. One is the Morris Canal Walk which commemorates the neighborhood's industrial heritage and a second pedestrian Paseo that serves as community open space and a pedestrian thoroughfare to the adjacent neighborhood. WRT's revitalization plan and HOPE VI grant application was crucial to the neighborhood transformation, bringing over $34 million in federal funds for the redevelopment. This project was also recognized as the city's first green project through material reuse from the previous site, comprehensive stormwater management practices and the energy and resource conservation techniques incorporated in the design.

Paseo Verde, Philadelphia, PA

WRT is a part of the Jonathan Rose Companies and Asociación de Puertorriqueños en Marcha (APM) team selected by the City of Philadelphia to develop the 1.9-acre brownfield site adjacent to a SEPTA

Regional Rail corridor and its Temple University station -- the fourth busiest stop in the regional transit system. With a mixed-use program focused on affordable and market-rate workforce housing, Paseo Verde offers 120 units of sustainable housing for low and moderate income families, approximately 30,000 SF of ground floor retail and community services, commercial office space, and parking. Paseo Verde links residents, workers and students to one of the busiest transit stations outside of Center City, and represents the culmination of a decade-long planning effort by APM to revitalize the surrounding neighborhood and successfully reintegrate the local community into both the neighboring Temple University campus, and the broader urban fabric beyond.

Despite a tight budget, the project is designed to attain the highest levels of LEED for Homes. As the nation's first LEED for Neighborhood Development Platinum Project, Paseo Verde aims to serve as a model for sustainable redevelopment in neighborhoods throughout Philadelphia and beyond. The project received the Willard G. Rouse Awards for Excellence Urban Land Institute, Philadelphia, and Merit and Honor Awards from The American Institute of Architects, Pennsylvania.

B. DEVELOPMENT INFORMATION FOR SAMPLE PROJECTS

Development Name	Address	Number of Units	Non-Residential Space	Construction Cost	Year Completed
Paseo Verde	1950 N 9th St, Philadelphia, PA	120 affordable and market rate units	30,000 SF commercial and retail space; also a fitness room, community room, community garden, 70 parking spaces, and 70 bicycle storage stations.	$47.2 million	2013
Orchard Ridge	Orchard Ridge Boulevard, Baltimore, MD	413 affordable and market rate units	5,000 SF community building	$105.6 million	2014
Morris Canal/ Lafayette Park	471 Pacific Avenue, Jersey City, NJ	500 affordable and market rate units	28,500 SF community space	$95.5 million	2015

C. SUSTAINABLE DESIGN EXPERIENCE AND OTHER INNOVATIVE DESIGN APPROACHES

Since its inception in 1963, WRT's practice has been dedicated to improving the quality of the natural and built environments by applying principles of sustainability to planning and design. These principles are intended to protect natural resources, promote social justice and economic well-being, and create livable human habitats that reflect local heritage, culture, and values. Today, WRT's practice reflects its environmental philosophy at all scales and focuses particularly on the improvement of existing urbanized areas and the preservation of important environmental assets in undeveloped natural areas. Over the years WRT's environmental ethos has grown ever more inclusive in scope, expanding from the firm's early work in regional planning and urban revitalization to the design of particular urban environments, landscapes, and buildings. One example of WRT's work is the Paseo Verde project profiled in this section. It is a transit-oriented development on a brown fields site, and the nation's first LEED for Neighborhood Development Platinum Project. The project features an extensive stormwater management system including 37,600 SF of blue roofs and 15,650 SF of green roofs and infiltration basins, solar panels, light colored roof membranes, and native and drought resistant plantings.

3.9 | LEGAL COUNSEL'S EXPERIENCE

Klein Hornig LLP is one of the nation's premier firms concentrating exclusively on affordable housing and community development. The attorneys at Klein Hornig have worked extensively with a wide variety of affordable housing programs and activities, including the low-income housing tax credit program, public housing and HOPE VI/CNI mixed-finance projects, HOME and CDBG funding, tax-exempt mortgage revenue bonds, 501(c) (3) bonds, HUD Section 202/811 developments (both traditional and mixed finance), and FHA-insured 221(d) (4) loans. Klein Hornig's lawyers have played an integral part in the revitalization of public housing developments over the past 15 years, representing many public housing authorities and their private development partners. Their lawyers have worked on hundreds of mixed-finance projects producing tens of thousands of units of housing across the country, transforming obsolete and distressed public housing developments into sustainable mixed-income communities.

The attorneys at Klein Hornig have worked very closely with HUD drafting and preparing documents which include ground leases, development agreements, rental term sheets and various operating agreements. Klein Hornig focuses on maintaining constant contact with HUD as mixed-finance programs evolve.

Klein Hornig's professional team will be led by Chris Hornig, a partner in our Washington, DC office. Chris is the former HUD Deputy Assistant Secretary for Public Housing Investments and one of the founding principles of the firm. Mr. Hornig has twenty-plus years' experience in the public housing mixed finance field and has represented both for-profit and nonprofit developers, as well as public housing authorities, in a number of complex large-scale revitalization projects.

As the first Deputy Assistant Secretary of HUD for Public Housing Investments, Mr. Hornig had immediate and personal responsibility for understanding and reshaping all the various HUD rules impacting HOPE VI and "the reinvention of public housing." He oversaw the development of — and frequently personally drafted — not only the HOPE VI NOFA and mixed-finance development rules themselves, but also rules and procedures governing capital subsidies, operating subsidies, demolition/disposition, site and neighborhood standards, relocation, procurement, and myriad other subjects. During Mr. Hornig's tenure at HUD, core OPHI staff and procedures were assembled and seminal HUD rulings were issued.

In addition to our HUD and financing expertise, our practice focuses on the real estate matters which are essential to affordable housing and community development – title and conveyancing, zoning and permitting, construction and disputes, purchase and sale transactions of all types, legislative services, administrative enforcement, fair housing and dispute resolution.

Representative transactions include:

- **Janie's Garden, Sarasota FL** - The firm serves as counsel to Michaels Development Company, the developer partner of the Sarasota (Florida) Housing Authority in this extended effort to revitalize the city's Newtown neighborhood, with an ultimate goal of creating 865 residential units. To date, the parties have completed two phases of the redevelopment, utilizing a complex combination of CFRC funds, cash-collateralized tax-exempt bonds, and local capital funds.
- **Northpark at Scott Carver, Miami FL** - Klein Hornig serves as counsel for developer McCormack Baron Salazar in connection with this ambitious and multi-phased rehabilitation of the former Scott Carver public housing site in Miami, FL. The first two phases have produced 354 new rental units, drawing upon multiple sources including LIHTC equity, tax-exempt bond financing, local funds and three different public housing capital sources. Our attorneys worked closely with the local housing authority and county government on a range of related efforts – obtaining HUD approvals, accessing NSP funds to cover site costs, and facilitating the return of former residents to the new community.

3.10 | DEVELOPMENT CONCEPT FOR THE LIBERTY SQUARE AND LINCOLN GARDENS REDEVELOPMENT

A. PROPOSED DEVELOPMENT

Design Proposal

Our design approach aims to develop affordable, healthy, and sustainable community living. The suggested designs for the Lincoln Gardens site and the Liberty Square neighborhood lay out a network of streets, parks, and a mix of uses that integrate redevelopment with the surrounding neighborhoods. We look forward to a collaborative dialogue with Miami-Dade County, the Miami-Dade Public Housing and Community Development Department, current and former residents, neighbors, community organizations and other stakeholders to refine and develop the concepts illustrated in the proposal.

The proposed conceptual site plan creates a central park space, a retail plaza along 62nd Street, and density concentrated at the center of the site that steps down in scale into the surrounding streets. The park and community amenities and the higher density housing would be developed in the first phase, before the existing community facilities are demolished and helping with relocation through a phased redevelopment program.

The accompanying Illustrative Plans are designed as a new construction, five-phase, 1,017 unit development for families that provides amenities, child care facilities, and park space to promote the establishment of a vibrant and healthy community

Unit and Affordability Mix

As more fully described in Section 3.11, two financing and development scenarios are proposed with varying approaches to the provision of replacement units for the current Liberty Square residents. In Scenario 1, we propose the minimum 640 public housing units, along with 377 Section 8 Project Based Voucher (PBV) units. In Scenario 2, a wider range of affordability is proposed, with 640 replacement units structured as PBV units (as described in Section 3.11, with rents ranging from RAD rents to 110% FMR), and 377 low income housing tax credit (LIHTC) units.

Phasing and Design

The proposed redevelopment of Lincoln Gardens and Liberty Square is intended to be completed within the five-year period outlined in the RFA. The plan includes five phases of development, with each phase taking one year to complete and relocation of residents and demolition of the next phase beginning as the prior phase is completed and occupied.

Resident Input and Design Charrettes

The final design will be the result of a resident- and stakeholder-driven planning process that will consider the surrounding context, connectivity and mobility, programming of the open space and community amenities, and relocation and phasing. MRP, working with Catalyst Miami and The South Florida Regional Planning Council and community organizations, Miami-Dade County and PHCD, will undertake a community planning process, including community meetings, trainings/capacity building workshops, and design charrettes.

MRP's lead planning firm, WRT, will lead the design and planning discussions/charrettes with the residents and the community. WRT has an extensive track record in helping clients manage complex and controversial situations, and is often retained by cities and counties to complete projects in which it is necessary to bring multiple and often opposing interest groups to a point of consensus and agreement on a way forward.

To facilitate a process of active participation by all entities and stake holders ,WRT has developed many tools over the years to engage current residents, community groups and neighbors in envisioning their future and understanding the language of planning and design, such as engaging the public in modeling

games we've invented, and techniques designed to engage youth in the process. WRT employs multi-lingual staff, including many native Spanish speakers, to facilitate conduct of the meetings. Team consultant KSA will also be engaged to lead meetings/workshops to focus on enhancing neighborhood safety through good design.

Relocation

MRP Team member Housing Opportunities Unlimited (HOU) will design the relocation plan and oversee relocation of current residents from their existing homes to the new developments. In Scenario 1, all relocation would be on-site as existing units would not be demolished until new units are available for occupancy, and all units would be affordable to current Liberty Square residents.

Scenario 2 would require some temporary off-site moves because some of the units being developed would be LIHTC units without ACC or PBV operating subsidy. Relocation activities will be designed to minimize disruptions to residents' lives without compromising the relocation process. In addition to working with PHCD to provide Section 8 vouchers to relocating residents, the MRP will identify private sector housing within a five mile radius to temporarily house affected households, including seeking to master lease with properties that can provide appropriate sized apartments for the duration of the project. These temporary units will all be equipped with all utilities and basic phone, Internet and cable service. Residents will continue to pay their current rent while they are relocated. As the redevelopment is completed, all 640 replacement units will become available for residents to return to the site. As discussed in Section 3.11, relocation costs are incorporated into the development budget.

Phase 1 – Lincoln Gardens

Phase 1 begins as a relocation strategy utilizing the undeveloped Lincoln Gardens parcel. The site establishes housing frontages along the perimeter to integrate with adjacent housing blocks. Two-story "twin" houses (two single family homes that share one common wall) provide a buffer along NW 25th St between low and high density housing on the East side of the site. Three-story stacked flat and walk-up buildings create an edge on NW 46th to shield resident parking from public view.

The park proposed along NW 24th creates a controlled access amenity space for residents and the child care facility located on site. Community space is provided on the ground floor of the walk-up building along the re-established section of NW 48th street, enhancing the connection to the Marva Y. Bannerman Park and Pool and Brownsville Middle School across the street. Residents will benefit from on-site and adjacent community amenities, safety enhanced by high visibility and defensible spaces, and mixed density that provides various housing typologies to create a lively community.

The architectural character of Lincoln Gardens will tie together closely with subsequent phases at Liberty Square by integrating native landscapes, forecourts, and streetscapes with contemporary architecture that responds to Miami's climate and regional aesthetic. Light stucco façades, masonry construction, high albedo roofs and deep overhangs on southern exposures will create environmentally responsive architecture that relates to local character in a contemporary aesthetic.

Phases 2-5 – Liberty Square

Phase 2 at Liberty Square begins with the development of mixed-use retail plaza and housing anchored on a large central park and community center. The increased density of this phase makes the new Liberty Square financially feasible while providing for maximum relocation of current Liberty Square residents and providing greatly needed public amenities and open space.

The retail plaza/park along NW 62nd St embellishes the streetscape by linking Sherdavia Jenkins Peace Park and African Square Park on opposing sides of the street. The plaza invites greenery deeper into Liberty Square, while the commercial space provides an attractive retail opportunity and creates a gateway to the community center and public park. Pergolas and lush gardens connect the retail on NW 62nd St along NW 13th and 14th Ave and create refuge from the heat and comfortable outdoor seating for customers.

Stacked townhomes above the retail promotes activity along 62nd street and provides a buffer to the mid-rise buildings fronting on the central park. The community and child care building on the central park will replace the existing Easter Seals Head Start center to allow for continuous operation of community facilities throughout all phases of development. The park will provide play space for residents of all ages, and a community and management center joining the mid-rise buildings will encourage community engagement. Roof top terraces provide an additional amenity for residents. Solar panels on all mid-rise buildings offset energy consumption by providing a sustainable, renewable energy source for common spaces.

In Phase 3, single family and twin homes ease the transition to adjacent urban fabric. Private gardens and courts create attractive housing that incorporate sustainable materials and vernacular sun shading elements in a contemporary aesthetic. Well lit, tree-lined streetscapes create walkable, pedestrian friendly neighborhoods. Parking is accessed through shared driveways behind houses to minimize impervious paving and improve pedestrian safety. In this phase, housing density increases from single family homes around the site perimeter to stacked flats overlooking the park, employing and "eyes on the street" environment to create a safe and inviting park for all community members.

Phases 4 and 5 complete the transformation of Liberty Square and pursue similar goals as previous phases. Housing density follows the gradient from the mid-rises in Phase 2 to the single family homes in Phase 3 and the surrounding neighborhoods. 3 story walk ups along NW 62nd St reinforce the streetscape set by the mixed-use retail built in Phase 2. A buffer of 3 story stacked flats and 2 story twin homes ease the transition from surrounding context to the higher density established at the center of Liberty Square. Parking is located out of public view but is easily accessible and visible to residents of adjacent walk up buildings.

Community Facilities and Unit Amenities,

Community facilities are provided on both sites and provide space for child care, sports and recreation, class rooms, and multi-generational congregation. The single story community building on the Central Park at Liberty Square accommodates these activities with 30,000 SF of space to be developed as part of Phase 2. The community and management space between the mid-rise buildings adds an additional 9,500 SF for such uses as a library, computer center, fitness center and meeting rooms. The existing community center will not be taken out of service until the new community center is completed.

12,000 SF is allocated to a child care facility at Lincoln gardens with an additional 4,000 SF for community space for such uses as a library, computer center and fitness center. A tot-lot and playground connect the spaces in addition to the park provided for the Lincoln Gardens community.

All units will have central air conditioning, washer and dryer hook-ups and access to laundry facilities, and will be wired for cable and internet service.

Parks and Open Space

The Central Park at Liberty Square provides 2 acres of outdoor recreation space large enough to accommodate a soccer field, basketball courts, a splash park, playground, and open green space. A pocket park between the mixed use retail in Phase 2 creates an attractive tenant amenity by providing a shaded refuge from heat and sunlight.

At Lincoln Gardens, the ¾-acre controlled access park provides open green space, gardens, a shaded pavilion and play equipment. In addition to the park, a large playground and tot lot adjoin the daycare and community rooms on the ground floor of the 3-story walk up buildings. Park spaces will be planted with native shade trees to create comfortable, relaxing microclimates and encourage usage during all times of the day and year.

Retail

28,700 SF of ground floor retail is centrally located in Phase 2 along NW 62nd street. Parking is provided at the rear with access to storefronts via shaded walkways and the pocket park. The tenancy for the retail space will be determined based on market conditions and the input of residents and the larger community. MRP proposes targeting a grocery store for a portion of the space, and the space can be subdivided for a variety of neighborhood retail uses. MRP's team includes DGS Commercial Realty, a commercial brokerage firm with extensive experience in Miami, to lease the retail space.

Zoning

To adopt the proposed new development character, we anticipate that both the Liberty Square and Lincoln Gardens sites will have to undergo rezoning.

Our design team's preliminary zoning analysis is that for Liberty Square –subject to the requirements of Miami 21 – the current transect zone is T4-R, limited to residential uses at a maximum height of three stories. To accommodate the proposed mid-rise buildings, the site likely will need to be rezoned to the next transect zone (i.e. T5, specifically T5-L to accommodate retail and community facilities by right), in accordance with Section 7.1.2.8. The Special Area Plan process, outlined in Sec. 3.10 of the code, may offer an alternative to the potential up-zoning.

The Lincoln Gardens site is zoned RU-2 (two-family residential) under the Miami Dade County Zoning Code. To accommodate additional density and greater building heights, the site likely will have to be rezoned to RU-4, possibly RU-4L, Limited Apartment House or RU-4M, Modified Apartment House District.

In the current plan there is adequate parking at a 1.5 spaces/DU. Single family homes have individual driveways for cars. Twin houses have parking via shared rear drive and townhouses/stacked flats have rear parking along alleys. Walk-up and elevator mid-rise parking is provided in surface lots that with additional spaces for retail parking requirements. Any surplus required will be on-street parking.

Development Schedule

While the final structure of the deal is yet to be determined, the schedule below represents a step-by-step approach for the first 9% transaction that will allow occupancy by the first quarter of 2017, subject to FHFC's funding rounds. All phases shall take place on a similar schedule and will overlap considerably in order to achieve PHCD's 60 month timeline.

The development assumes an application will be submitted in the next FHFC 9% cycle which is estimated to close in the fall of this year. Subsequent phases shall begin the planning effort concurrently, and will likely include 4% LIHTC as part of the phasing plan.

Phase I 9% LIHTC – Lincoln Gardens

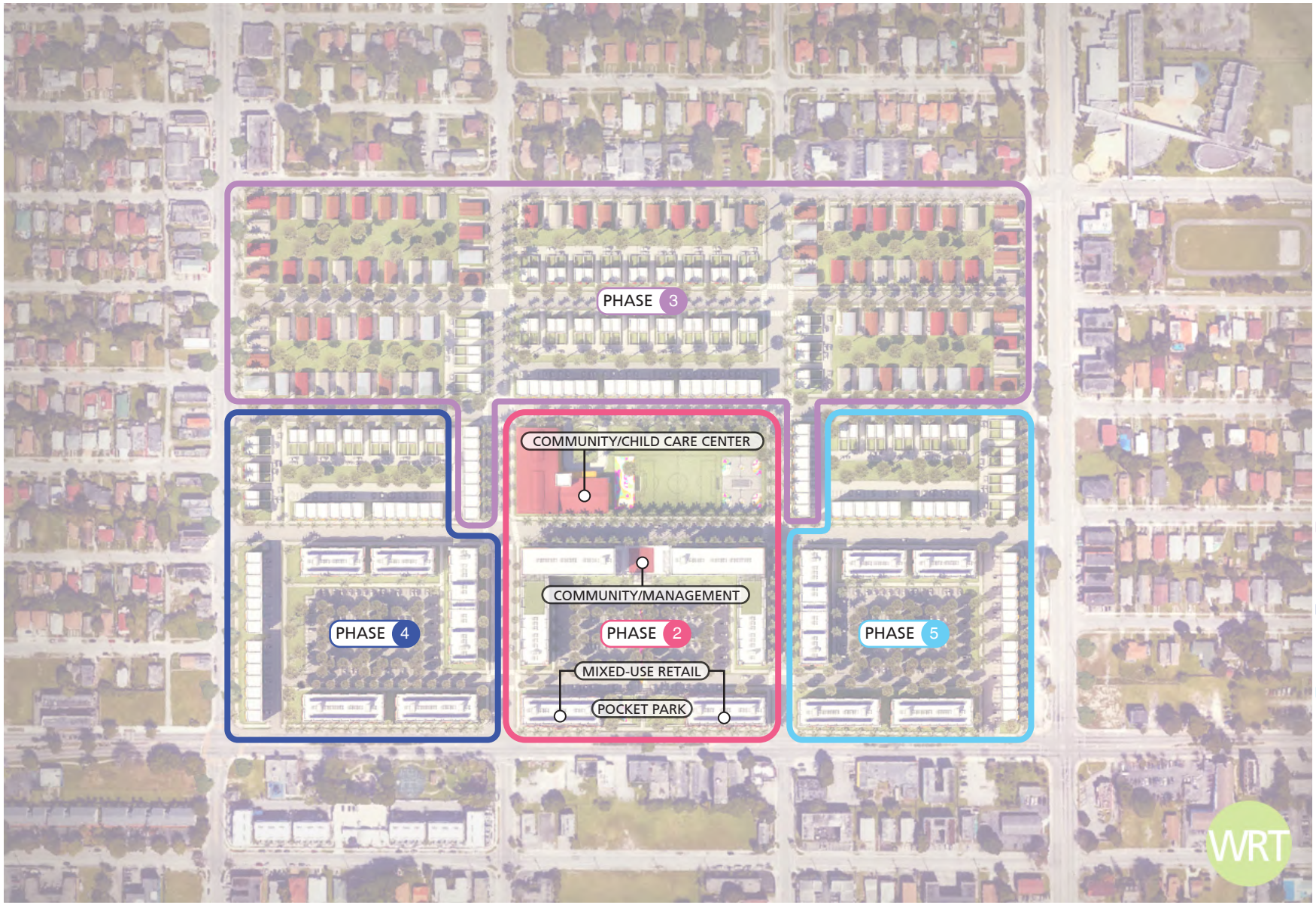
TASK	DATE
PHCD Announcement	August 2015
Development Agreement Executed	August 2015
Begin LIHTC Pre-Application Work	August 2015
Commission Market Study	August 2015
Secure 100% Site Control (Ground Lease)	December 2015
Begin Re-Zoning Process (as applicable)	December 2015
Submit FHFC 9% Application	December 2015
FHFC Award Announcement	February 2016
Pre-Development Budget Finalized	February 2016
Title Searches and Issue Resolution	March 2016

Conduct Surveys, Utility Studies, Geotech	April 2016
Community Meetings	Continuous
Demo/Dispo Application Submitted to SAC	May 2016
Submit FHLB Application (if necessary)	TBD
Section 3 W/MBE Meetings Kickoff	May 2016
Subcontractor Bid Packages Created/Sent	July 2016
Rental Term Sheet Submission	July 2016
HUD Evidentiaries Submitted	September 2016
Equity Commitment (Final)	October 2016
Construction Lender Commitment (Final)	November 2016
HUD Approval	December 2016
Financial Closing/Groundbreaking	**December 2016**
SAC Approval of Demo/Dispo (Next Phase)	July 2017
Issue 90 Day Notice to Residents and Begin Relocation Process (Next Phase)	August 2017
Construction Complete	**December 2017**

B. SMART GROWTH DEVELOPMENT APPROACH

The new Liberty Rising development should create a sense of community, replacing large areas of under-utilized property with a variety of appropriate scale, contextual buildings, and strike the right balance of cohesive but distinct building design. Design goals promoting Smart Growth include:

- **Context-Sensitive Urban Design -** Sensitivity to adjacent neighborhood density while proposing increased housing density is a critical component to the well-being and safety of the neighborhood and the long term economic viability of the new development, as this does not stigmatize the redevelopment as another "project." Creating a family of buildings that has a cohesive architectural expression, but each building having its own identity and urban presence, is essential to create a dynamic, new community that enhances the value of the surrounding neighborhood.
- **Safe Neighborhood Design -** The new parks, plazas and parking at Liberty Square and Lincoln Gardens are surrounded by residential entrances and community amenities that create a lively street presence with a sense of residential community, employing the "eyes on the street" approach (CPTED) to increase pedestrian activity and discourage unwanted behavior in places of recreation and activity. Walk up buildings with ground floor entries for each unit implies ownership of these public spaces and discourage vandalism and crime. In addition, public space will have controlled access through both design and designed hours of operation.
- **Green Site Design -** Pergolas connecting buildings create shaded pedestrian circulation that increases street activity and use of outdoor spaces. Heat created by impervious paving surfaces is mitigated by planted bio swales in parking lots and lush landscaped planting beds. Using native plant species beautifies the neighborhood while creating shade, increases site storm water infiltration, and intrinsically relates the development to the local and regional aesthetic.
- **Green Building Design -** Utilizing materials and architectural devices that respond to the climate and context of Miami is a driving factor of the proposal. Light colored, high albedo roofs are used minimize heat gain and reduce dependence on mechanical cooling systems. Solar shading of all southern exposures minimizes cooling loads for dwelling units and is a critical component of regional aesthetic.



PHASE 1
185 UNITS BUILT

PHASE 2
162 UNITS RELOCATED
256 UNITS BUILT

PHASE 3
270 UNITS RELOCATED
204 UNITS BUILT

PHASE 4
104 UNITS RELOCATED
186 UNITS BUILT

PHASE 5
156 UNITS RELOCATED
186 UNITS BUILT

NW 15th Ave
NW 14th Ave
NW 13th Ave
NW 12th Ave
NW 67th St
NW 66th St
NW 65th St
NW 64th St
NW 63rd St
NW 62nd St
WRT

NW 65th St
WRT

NW 25th Ave
NW 24th Ave
NW 48th St
NW 46th St
WRT

WRT

COMMUNITY CENTER
WRT

WRT

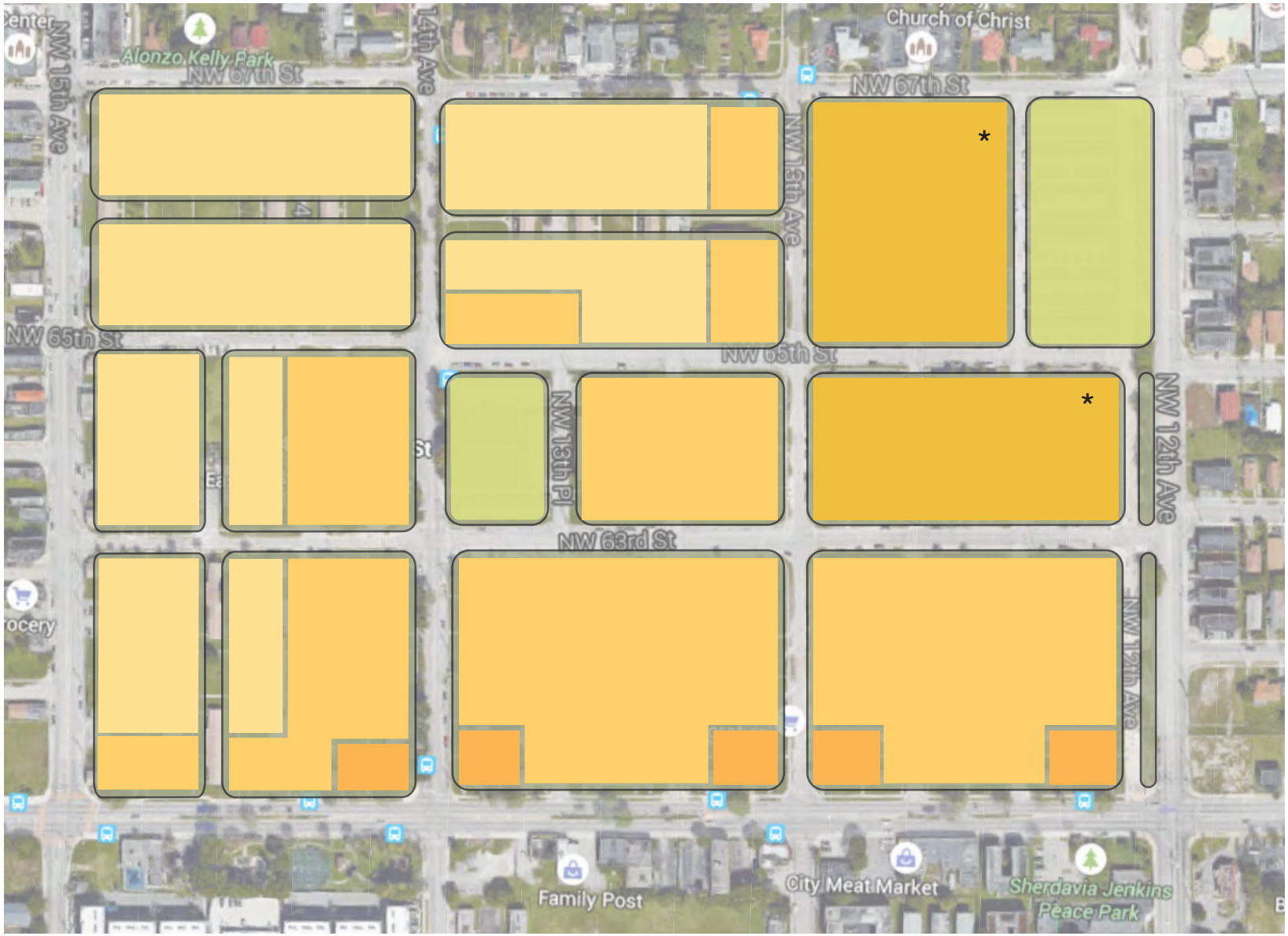
DENSITY SCHEME 1 - DEVELOPED

DENSITY LEGEND

- SINGLE FAMILY/TWIN
- WALK UP/TOWNS
- MID RISE
- PARK/GREEN SPACE
- RETAIL

* PUBLIC AMENITY SPACE

ALTERNATE DENSITY SCHEME 3

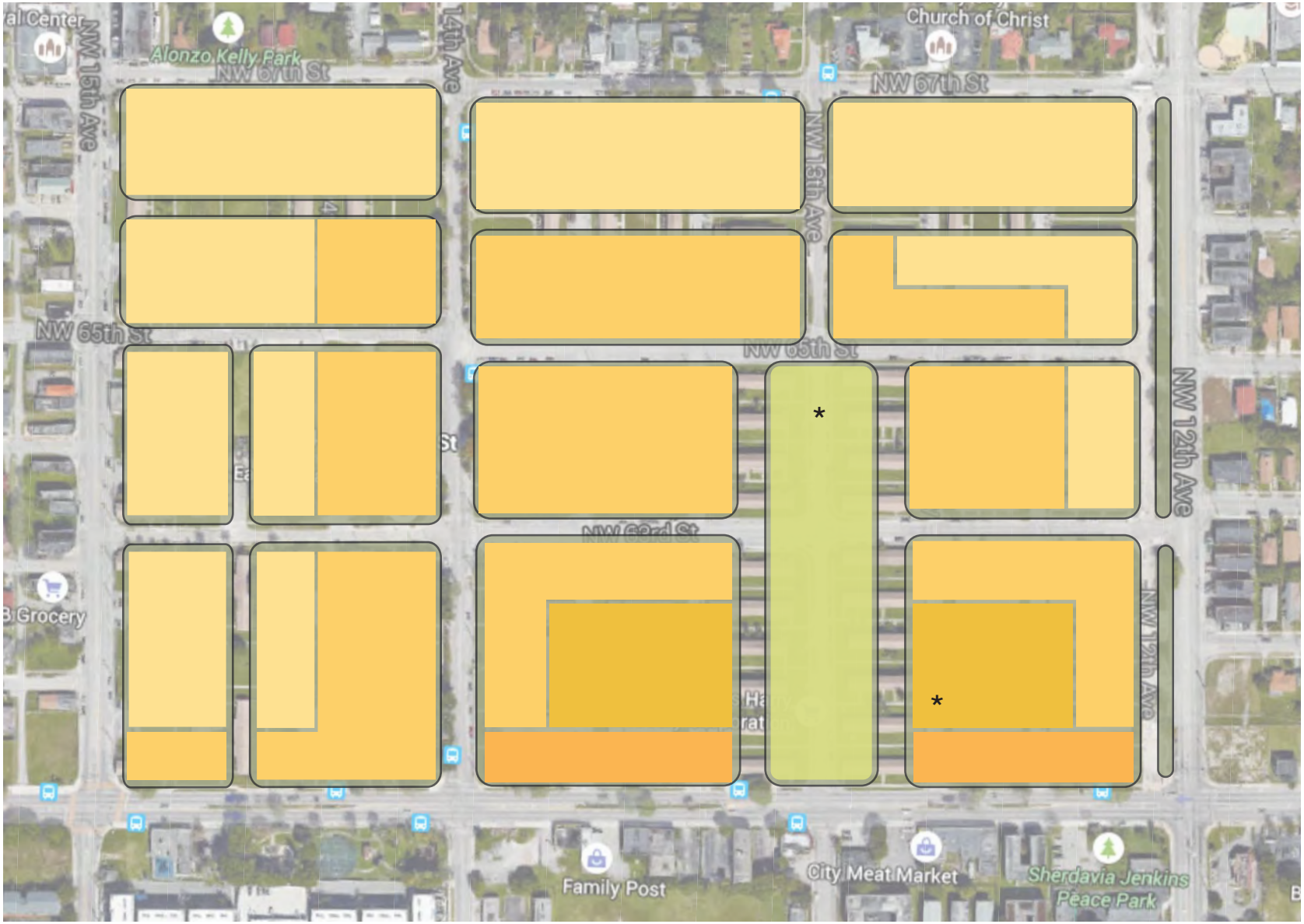


DENSITY LEGEND

- SINGLE FAMILY/TWIN
- WALK UP/TOWNS
- MID RISE
- PARK/GREEN SPACE
- RETAIL

* PUBLIC AMENITY SPACE

ALTERNATE DENSITY SCHEME 2



DENSITY LEGEND

- SINGLE FAMILY/TWIN
- WALK UP/TOWNS
- MID RISE
- PARK/GREEN SPACE
- RETAIL

* PUBLIC AMENITY SPACE

3.11 | FINANCIAL STRATEGIES AND COUNTY PARTICIPATON

A. FINANCING APPROACH

The Liberty Square Rising redevelopment will replace obsolete, dilapidated, New Deal-era public housing with new, vibrant, safe, walkable communities that catalyze economic development throughout Liberty City.

The proposed conceptual plans for the new communities at Lincoln Gardens and Liberty Square include the new construction of 1,017 affordable rental units, a new 30,000 SF community/child care center at Liberty Square and an additional 25,500 SF of new child care and community space at the two sites, 28,700 SF of ground floor retail space in mixed use buildings, a new 2-acre Central Park at Liberty Square and a new ¾ acre park at Lincoln Gardens, and new playgrounds, ball fields and outdoor recreation space. To support these new developments, new streets will be created to better connect the sites to the surrounding neighborhoods and other streets will be refurbished, utilities will be replaced or upgraded, and both sites will feature environmentally sustainable landscaping. In addition, the redevelopment plan requires the temporary relocation of existing residents and the demolition of all existing buildings on the Liberty Square site.

We project the total budget for Liberty Rising would be $240 million to $260 million, varying depending on the financing structure.

Financing Scenarios

We have prepared two scenarios for financing the Liberty Rising Redevelopment. Scenario 1 features highly competitive 9% LIHTC allocated by the Florida Housing Finance Corporation (FHFC). Scenario 2 provides for alternate funding using tax-exempt bonds and "as-of-right" 4% tax credits, as well as FHFC subordinate financing.

- Scenario 1 – Funding sources would include 9% LIHTC for all phases of the redevelopment, bank first mortgages, NMTC equity, the $46 million of County and PHCD funds outlined in the RFA, and gap funding from PHCD funds, FHLB AHP funds, deferred fee, and other sources.
- Scenario 2 – Funding sources would include 4% LIHTC and tax-exempt bond-funded first mortgages, FHFC SAIL and ELI subordinate loans for all phases, New Market Tax Credit equity, the $46 million of County and PHCD funds, and deferred fee.

It is likely that a mix of approaches for financing the redevelopment will be required, with some phases receiving 9% LIHTC and others using tax-exempt bond financing and 4% credits. The two financing scenarios are intended to illustrate the trade-offs involved in the unit affordability mix and support required from PHCD in the form of Section 8 Project Based Vouchers (PBV) to make the project financially feasible.

Summary Sources and Uses for each scenario, showing all five phases of the development, are attached.

Scenario 1

Although the total number of units and bedroom mix is the same for each scenario, different affordability mixes are proposed. Scenario 1 is the "base case" scenario providing the 640 ACC units for existing residents as required in the RFA. In order to limit funding gaps given the large scale of the plan, Florida Housing and Finance Corporation limits on 9% LIHTC allocations, and the large proportion of ACC units, we propose programming the remaining 377 units as PBV units with rents set at 110% FMR. The PBV units will help leverage first mortgage debt, making the developments financially feasible by greatly reducing funding gaps.

The unit and affordability mix for Scenario 1 (all phases combined):

Unit Type	Public Housing	% of Total Project	PBV	% of Total Project	Total	% of Total Project
1 Bedroom	29	4.5%	95	25%	124	12.2%
2 Bedroom	297	46.4%	187	50%	484	47.6%
3 Bedroom	145	22.7%	95	25%	240	23.6%
4 Bedroom	117	18.3%			117	11.5%
5 Bedroom	52	8.1%			52	5.1%
Total Units	**640**		**377**		**1,017**	
% of Total Project	**63%**		**37%**			**100%**

Financing Commitments and Terms

MRP has secured the following financing commitments for the redevelopment as proposed in Scenario 1:

- LIHTC Equity – The National Equity Fund has committed to invest a total of $140.8 million of LIHTC equity into the Liberty Rising redevelopment, at an equity price of $1.10.
- First Mortgage Debt – JPMorgan Chase Bank has committed to permanent loans totaling over $38 million to the redevelopment, at a projected fixed rate of 5.805%, with an 18-year term and 30-year amortization. In addition, Chase has committed to providing construction loans totaling over $75 million at a projected variable rate of 2.75%.
- NMTC Equity – Chase Bank has also committed to providing $3 million of NMTC equity for the development of the Liberty Square retail space and community center at an equity price of $0.80.

As documented in each commitment letter, the lenders and investors have reviewed the financial projections and prepared their own analyses in support of the projections.

Scenario 2

As 9% LIHTC are extremely competitive, and securing five consecutive 9% allocations for Liberty Rising will be a significant challenge to the timely completion of the redevelopment, we have prepared an alternate financing scenario that assumes tax-exempt bond financing and 4% LIHTC for each phase in lieu of 9% LIHTC. As the 4% LIHTC provide much less equity, it would be necessary to leverage more first and subordinate mortgage debt to make the use of tax-exempt financing and 4% LIHTC instead of 9% credits financially feasible.

In order to eliminate the funding gaps, MRP proposes structuring the 640 public housing replacement units as PBV units. Rather than have all of the PBV units at 110% FMR rents as in Scenario 1, Scenario 2 assumes that the majority (386 of the 640) of the PBV units would be “RAD-like” units at current RAD rent levels (which are equal to the current tenant rent payments, and ACC operating subsidy and capital funds received for the Liberty Square), while the remaining 254 replacement units would be PBV units at 110% FMR. The other 377 units in the development would be workforce LIHTC housing for families earning no more than 60% AMI, and would not receive operating subsidy. In addition to tax-exempt bonds and 4% credits, we propose applying for FHFC SAIL and ELI subordinate loans for each phase.

Although Scenario 2 would require substantially more PBV operating subsidy than Scenario 1, it would be financially feasible without 9% LIHTC or public funding beyond the $46 million of County and PHCD funds identified in the RFA.

The unit and affordability mix for Scenario 2 (all phases combined):

Unit Type	PBV (386 RAD-level rents / 254 110% FMR)	% of Total Project	LIHTC	% of Total Project	Total	% of Total Project
1 Bedroom	29	4.5%	95	25%	124	12.2%
2 Bedroom	297	46.4%	187	50%	484	47.6%
3 Bedroom	145	22.7%	95	25%	234	23.6%
4 Bedroom	117	18.3%			117	11.5%
5 Bedroom	52	8.1%			52	5.1%
Total Units	**640**		**377**		**1,017**	
% of Total Project	**63%**		**37%**			**100%**

Market rate units would be an option for this scenario as well, replacing some of the LIHTC units. However, the inclusion of market rate units would reduce the project's 4% LIHTC equity, leaving funding gaps to be addressed through other public and private funds.

MRP has secured the following financing commitments for the redevelopment as proposed in Scenario 2:

- LIHTC Equity – The National Equity Fund has committed to invest over $100 million of LIHTC equity into the Liberty Rising redevelopment, at an equity price of $1.10.
- First Mortgage Debt – Red Stone Tax Exempt Funding LLC has committed to purchase a total of up to $118.5 million of bonds for construction, with $75.4 million remaining outstanding as permanent loans to the redevelopment. The permanent loans would have a 40-year amortization with a 17-year term, and a permanent fixed rate of 4.75%. The projected variable construction interest rate is 3%.
- NMTC Equity – Chase Bank has also committed to providing $3 million of NMTC equity for the development of the Liberty Square retail space and community center at an equity price of $0.80.

As documented in each commitment letter, the lenders and investors have reviewed the financial projections and prepared their own analyses in support of the projections.

Increased Mixed Income Alternatives

MRP believes it would be desirable to achieve a greater mix of incomes than shown in either scenario. Scenario 2 achieves a broader income mix than Scenario 1 by structuring the replacement units for existing residents as PBV units. Another alternative would be to extend the time-line for the redevelopment. An additional phase of 9% LIHTC would reduce the need to leverage debt by use of PBV units, allowing for more unsubsidized LIHTC and market rate units.

Development Cost Assumptions

The MRP Development team has unsurpassed experience in planning and implementing large-scale, multi-phase, mixed income, mixed use public housing redevelopments. Cost projections have been prepared based on our extensive experience with comparable project nationwide as well as our team's extensive experience with affordable housing and mixed income housing in Florida.

Redeveloping the nearly 60-acre Liberty Square site and the 9-acre Lincoln Gardens site to support new, walkable, environmentally and economically sustainable communities will require significant investments in new infrastructure, new and refurbished streets, new parks and open space. In addition, all residents will have to be temporarily relocated and all existing buildings demolished, and all potential environmental conditions at Liberty Square remediated. MRP has sought to develop a plan that would

limit infrastructure costs, and estimates a total of $15 million for demolition, remediation and infrastructure costs, and an additional $2.5 million for relocation costs.

Construction costs are estimated at approximately $146,000 per unit (excluding community facilities), and total development costs for residential units are estimated to be approximately $206,000 per unit (excluding the costs for relocation, demolition, remediation, infrastructure and construction of the retail space and community facilities at each site). Total development costs per unit including all costs are estimated to be approximately $236,600 per unit. As can be seen in the attached budgets, residential unit costs and total development costs are higher in Scenario 2 due to additional financing costs associated with tax-exempt bonds.

A summary sources and uses for the entire development for the Scenario 1 financing structure is below:

Scenario 1 Summary of Sources (All Phases Combined)

Permanent Sources			Per Unit
First Mortgage Housing (Lender: Chase Bank)	$38,040,000	16%	$37,404
First Mortgage Retail	3,175,000	1%	3,122
County General Obligation Bonds	32,000,000	13%	31,465
PHCD Documentary Surtax Funds	6,000,000	2%	5,900
PHCD CFFP	8,000,000	3%	7,866
9% LIHTC Equity (Investor: NEF)	140,840,915	59%	138,487
NMTC Equity	3,019,848	1%	2,969
Other Public and Private Funds (Gap)	9,579,136	4%	9,419
Total	**$240,654,899**	**100.00%**	**$236,632**

Uses			Per Unit
Demolition & Remediation	$4,918,212	2%	$4,836
Infrastructure – Utilities, Streets, Parks, Open Space & Landscaping	10,170,000	4%	10,000
Construction Costs Housing (incl. community facilities)	151,622,161	63%	149,088
Construction Costs Retail & Liberty Comm. Center	6,767,950	3%	6,655
Financing, Soft Costs & Developer Fee	60,887,020	25%	59,869
Relocation Costs	2,534,556	1%	2,492
Reserves	3,755,000	2%	3,692
Total	**$240,654,899**	**100.00%**	**$236,632**

B. LOCAL FUNDING

For Scenario 1, the projected funding shortfall is a relatively small $1.9 million per phase, which MRP would seek to address through securing additional public or private funding, such as PHCD funds, FHLB AHP funds and deferred developer's fee. The advantage of the affordability mix and financing structure shown in Scenario 2 is that no additional funding is projected to be required.

C. COUNTY PARTICIPATION

MRP proposes a 30% participation by the County in all developer fees and net cash flow. All deferred developer fee would be borne solely by MRP. Given the need to maximize first mortgage financing to limit the required public funding, it is anticipated that ground lease payments would be at nominal costs. However, as the plans are adapted given community input and detailed costs estimates, it may be possible for the developments to support ground lease payments or other County economic participation, subject to negotiations between MRP and the County.

D. CAPITAL FUND FINANCING PROGRAM EXPERIENCE

In addition to serving as a developer on public housing mixed finance developments nationwide, MRP member Duvernay + Brooks is one of the nation's leading financial advisory firms specializing in mixed finance redevelopment. D+B has extensive CFFP experience, and sample transactions include:

- D+B advised the Philadelphia Housing Authority (PHA) on structuring and closing on the financing for the Philadelphia Housing Authority's Tasker Homes project, one of the first housing authority capital funds financings. D+B worked closely with PHA staff, counsel and the investment banker to obtain HUD Approval to issue $150 million in bond financing, including $64 million of tax-exempt private activity bonds. D+B assisted in creating an innovative financial structure, much replicated since, that included using PHA Capital Funds to support the debt service on private activity bonds.

- D+B advised the Albany (NY) Housing Authority on closing on financing for Ezra Prentice Homes, the substantial rehabilitation of a 179-unit public housing development using a tax-exempt loan from Fannie Mae's Capital Fund Finance Program loan product, 9% LIHTC, HUD CFRC funds, and State and FHLB funding. AHA received a $13 million allocation of private activity volume cap and Fannie Mae made a $13 million tax-exempt construction loan to AHA, which was considered a private activity bond of the AHA.

LIBERTY RISING REVITALIZATION PLAN - FINANCING PLAN SUMMARY

SCENARIO 1: 9% FINANCING SCENARIO

ESTIMATED PERMANENT SOURCES AND USES - RENTAL PROJECTS

Jul-15

	Phase 1	Phase 2	Phase 3	Phase 4	Phase 5	Total	
Number of Units	**185**	**256**	**204**	**186**	**186**	**1017**	
Site	Lincoln Gardens Family Rental Units	Liberty Square Family Rental Units	Liberty Square Family Rental Units	Liberty Square Family Rental Units	Liberty Square Family Rental Units	ALL Rental Units	
Uses :							
Demolition and Remediation	894,660	1,238,016	986,544	899,496	899,496	4,918,212	
Infrastructure - Utilities, Streets, Parks & Landscaping	1,850,000	2,560,000	2,040,000	1,860,000	1,860,000	10,170,000	
Construction Costs - Housing	27,040,009	37,468,530	29,775,091	27,156,201	27,156,201	148,596,031	
Construction Costs - Community Facilities	1,477,246	1,548,884				3,026,130	
Construction Costs - Retail & Child Care/Comm. Center		6,767,950				6,767,950	
Financing Costs - Housing & Comm. Facilities	1,495,062	1,653,337	1,624,279	1,706,804	1,692,829	8,172,310	
Financing Costs - Retail & Child Care/Comm. Center		677,530				677,530	
Other Soft Costs - Housing & Comm. Facilities	3,884,146	4,683,716	4,026,711	3,764,678	3,806,900	20,166,151	
Other Soft Costs - Retail & Child Care/Comm. Center		1,353,613				1,353,613	
Relocation	706,629	706,629	444,288	338,505	338,505	2,534,556	
Developer Fee - Residential	5,602,163	7,478,867	5,834,537	5,358,853	5,363,090	29,637,509	
Developer Fee - Retail		879,907				879,907	
Reserves/Working Capital	695,000	895,000	755,000	705,000	705,000	3,755,000	
TOTAL	43,644,915	67,911,978	45,486,450	41,789,536	41,822,020	240,654,899	
Sources :							
First Mortgage - Housing	6,810,000	9,600,000	7,630,000	7,070,000	6,930,000	38,040,000	
First Mortgage - Retail		3,175,000				3,175,000	
County General Obligation Bonds	4,220,026	18,445,721	4,980,007	2,090,881	2,263,365	32,000,000	-
PHCD Documentary Surtax Funds	1,091,445	1,510,324	1,203,540	1,097,345	1,097,345	6,000,000	
PHCD CFFP	1,455,261	2,013,766	1,604,720	1,463,127	1,463,127	8,000,000	
LIHTC Equity	28,168,183	28,168,183	28,168,183	28,168,183	28,168,183	140,840,915	
NMTC Equity		3,019,848				3,019,848	
RAD Subsidy During Construction	-	-	-	-	-	-	
Other Public and Private Funds	1,900,000	1,979,136	1,900,000	1,900,000	1,900,000	9,579,136	
TOTAL	43,644,915	67,911,978	45,486,450	41,789,536	41,822,020	240,654,899	
						-	
Other Information:							
9% credits	$2,561,000	$2,561,000	$2,561,000	$2,561,000	$2,561,000	$12,805,000	
4% credits							
Construction/Bridge Loan required	$14,205,023	$15,580,158	$14,687,578	$15,526,817	$15,384,696		
Construction/Bridge Loan repayment	$7,395,023	$5,980,158	$7,057,578	$8,456,817	$8,454,696		
TDC Per Unit	$235,918	$265,281	$222,973	$224,675	$224,850	$236,632	
Residential TDC Per Unit (Excl. Infr., Demo, Relocation, Retail, Comm Facil.)	$205,830	$204,888	$205,959	$208,019	$208,194	$206,440	
Residential Construction Costs Per Unit	$146,162	$146,361	$145,956	$146,001	$146,001	$146,112	
Retail SF	16,700	39,500					
Community Facility SF		26,680					
Unit Mix by Type:							
# of ACC Public Housing Units	116	160	129	117	118	640	63%
# of RAD Section 8 units							
# of Section 8 units (Project-based Vouchers)	69	96	75	69	68	377	37%
# of LIHTC or Other Affordable	-	-	-	-	-	-	0%
Total Subsidized rental units	*185*	*256*	*204*	*186*	*186*	1,017	100%
# of Market-rate units	-	-	-	-	-	-	
TOTAL RENTAL UNITS	185	256	204	186	186	1,017	

LIBERTY RISING REVITALIZATION PLAN - FINANCING PLAN SUMMARY

SCENARIO 2: TAX-EXEMPT FINANCING SCENARIO

ESTIMATED PERMANENT SOURCES AND USES - RENTAL PROJECTS

Jul-15

	Phase 1	Phase 2	Phase 3	Phase 4	Phase 5	Total	
Number of Units	**185**	**256**	**204**	**186**	**186**	**1017**	
Site	Lincoln Gardens Family Rental Units	Liberty Square Family Rental Units	Liberty Square Family Rental Units	Liberty Square Family Rental Units	Liberty Square Family Rental Units	ALL Rental Units	
Uses :							
Demolition and Remediation	894,660	1,238,016	986,544	899,496	899,496	4,918,212	
Infrastructure - Utilities, Streets, Parks & Landscaping	1,850,000	2,560,000	2,040,000	1,860,000	1,860,000	10,170,000	
Construction Costs - Housing	27,040,007	37,616,429	29,775,089	27,156,199	27,156,199	148,743,923	
Construction Costs - Community Facilities	1,477,246	807,679				2,284,925	
Construction Costs - Retail & Child Care/Comm. Center		6,767,950				6,767,950	
Financing Costs - Housing & Comm. Facilities	3,479,984	4,657,490	3,613,406	3,299,852	3,299,852	18,350,584	
Financing Costs - Retail & Child Care/Comm. Center		677,530				677,530	
Other Soft Costs - Housing & Comm. Facilities	4,144,622	4,909,040	4,343,734	4,040,334	4,036,700	21,474,431	
Other Soft Costs - Retail & Child Care/Comm. Center		1,353,613				1,353,613	
Relocation	706,629	1,172,073	444,288	338,505	338,505	3,000,000	
Developer Fee - Residential	7,126,767	9,532,931	7,416,551	6,766,989	6,766,335	37,609,574	
Developer Fee - Retail		879,907				879,907	
Reserves/Working Capital	705,000	970,000	784,000	716,000	716,000	3,891,000	
TOTAL	47,424,915	73,142,659	49,403,612	45,077,375	45,073,087	260,121,649	
Sources :							
First Mortgage - Housing	14,030,000	18,750,000	15,390,000	13,710,000	13,550,000	75,430,000	
First Mortgage - Retail		3,175,000				3,175,000	
FHFC SAIL Loan	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	25,000,000	
FHFC ELI Loan	601,780	805,202	650,312	585,023	603,887	3,246,203	
County General Obligation Bonds	5,476,548	12,432,315	5,017,294	4,481,221	4,592,622	32,000,000	
PHCD Documentary Surtax Funds	1,091,445	1,510,324	1,203,540	1,097,345	1,097,345	6,000,000	
PHCD CFFP	1,455,261	2,013,766	1,604,720	1,463,127	1,463,127	8,000,000	
LIHTC Equity	19,138,125	25,650,440	19,858,428	18,110,776	18,112,544	100,870,313	
NMTC Equity		3,019,848				3,019,848	
RAD Subsidy During Construction	476,755	654,494	524,319	474,884	498,562	2,629,013	
Other Public and Private Funds	155,000	131,271	155,000	155,000	155,000	751,271	
TOTAL	47,424,915	73,142,659	49,403,612	45,077,375	45,073,087	260,121,649	
	-	**(0)**	-	-	-	-	
Other Information:							
9% credits							
4% credits		$2,332,091	$1,805,492	$1,646,599	$1,646,760	$7,430,942	
Tax-Exempt Bonds amount	$22,500,000	$30,100,000	$23,300,000	$21,300,000	$21,300,000	$118,500,000	
TDC Per Unit	$256,351	$285,714	$242,175	$242,351	$242,328	$255,773	
Residential TDC Per Unit (Excl. Infr., Demo, Relocation, Retail, Comm Facil.)	$225,146	$223,652	$225,161	$225,696	$225,673	$224,995	
Residential Construction Costs Per Unit	$146,162	$146,939	$145,956	$146,001	$146,001	$146,258	
Retail SF	16,700	39,500					
Community Facility SF		26,680					
Unit Mix by Type:							
# of ACC Public Housing Units							
# of RAD Section 8 units	70	96	77	70	73	386	38%
# of Section 8 units (Project-based Vouchers)	48	63	51	46	46	254	25%
# of LIHTC or Other Affordable	67	97	76	70	67	377	37%
Total Subsidized rental units	*185*	*256*	*204*	*186*	*186*	1,017	100%
# of Market-rate units							
TOTAL RENTAL UNITS	185	256	204	186	186	1,017	

National Equity Fund, INC
an affiliate of LISC

July 8, 2015

Joe Chambers, President
Miami Redevelopment Partners, LLC
205 E. Central Blvd., Ste. 304
Orlando, FL 32801

RE: **Liberty Rising Phase 1**
4751 NW 24th Ct.,
Miami, Florida

Dear Mr. Chambers:

The National Equity Fund, Inc. ("NEF") is pleased to propose the terms and conditions, as set forth in this letter of interest, pursuant to which NEF, through its affiliate, NEF Assignment Corporation ("NEFAC"), will provide equity capital for the above described property. This letter is based on certain assumptions and information, including estimates of Project costs, timing assumptions and debt financing, provided by the Sponsor. Any changes in these assumptions or this information may result in changes to the terms and conditions, including the purchase price, outlined in this letter.

1. <u>Project Information</u>

The Liberty Rising Phase 1project will involve the new construction of 185 affordable rental units for families in Miami, Florida.

NEF has analyzed the project's development budget and has based this offer on the assumption of a total development cost of approximately $47.42 million and an allocation of 2016 low income housing tax credits from the Florida Housing Finance Corporation ("FHFC"). Financing will include low-income housing tax credits, Miami-Dade County and Miami-Dade Public Housing and Community Development Department funding. The project will include 22 one-bedroom, 87 two-bedroom, 43 three-bedroom units, 23 four-bedroom units and 10 five-bedroom units. 185 units will receive public housing ACC and Section 8 project-based voucher operating subsidies. All units will be affordable to residents earning no more than 60% AMI.

NEF Assignment Corporation ("NEFAC") will act as nominee limited partner on behalf of one or more investor limited partnerships or limited liability companies of which NEF is the general partner or managing member. NEF will have the right to assign the beneficial portion of its limited partner or member interest to one or more investor limited partnerships or limited liability companies of its choosing.

2. Development Team

Developer:	A to-be-formed affiliate of Miami Redevelopment Partners, LLC
General Contractor:	TBD
Attorney:	Klein Hornig LLP

3. Timing Assumptions

This letter is based on the following timing assumptions:

Construction Start:	January 2016
Partnership Investment Closing:	January 2016
Placement in Service Date:	December 2016
100% Qualified Occupancy:	June 2017

If the timing assumptions set forth above are not met, the terms and conditions of this Letter of Interest, including the purchase price, will be subject to change.

4. Tax Credits

The Sponsor is applying to the FHFC for $1,740,004 of 4% low income housing tax credits. The requested credit amount is based on the Project having an adjusted eligible basis of $41,647,121, using a tax credit rate of 3.22% and a 130% basis boost. The total Tax Credits anticipated to be claimed by the Partnership are $17,400,036 of LIHTCs (the "Projected Tax Credits"). The Projected Tax Credits are expected to be available to the Partnership beginning in 2017.

5. Capital Contributions

NEFAC will purchase the above credits for a total purchase price (the "NEFAC Capital Contribution") of $19,138,125, or $1.10 cents for each $1.00 of LIHTCs. NEFAC shall make its capital contributions to the Partnership as described below:

	NEFAC Equity Amounts
Condition	Total Equity
NEF Closing / Closing	$2,882,328
25% Construction	$2,719,969
50% Construction	$2,719,969
75% Construction	$2,719,969
100% Construction Complete	$3,982,963
Stabilization/Conversion/8609	$4,112,928
Total	$19,138,125

Developer Fee Equity. The Project Sponsor, or whoever else is designated in the Development Agreement to receive such payment, shall be paid a development fee (the "Developer Fee") in the amount of $7,126,767. The Developer Fee shall be payable at the times and upon the conditions set forth in the Development Agreement. The Developer Fee will be paid to the Partnership out of the NEFAC Capital Contribution (the "Developer Fee Equity"), which will in turn pay the

Developer Fee Equity to the Project Sponsor pursuant to the Development Fee Agreement, on the above schedule.

Deferred Developer Fee. Any portion of the Developer Fee that is not paid out of Developer Fee Equity or other financing sources shall be paid as a deferred developer fee (the "Deferred Developer Fee") from Project cash flow or the proceeds of refinancing or sale of the Project.

6. Adjustment to Purchase Price (Credit Adjusters).

Permanent Reduction in LIHTCs. The NEFAC Capital Contribution to the Partnership shall be decreased if: (i) the receipt of the Project Cost Certification, or (ii) the receipt of the Form 8609 for the Project, the maximum Actual Tax Credits are less than the Projected Tax Credits. In such an event, the NEFAC Capital Contribution shall be reduced by $1.10 times the amount by which the Actual Tax Credits are less than the Projected Tax Credits.

Material Timing Difference – Tax Credits. In the event that LIHTCs are not available to NEFAC during the Projected First Tax Credit Year in the amount projected(the "First Year Projected Tax Credits"), the NEFAC Capital Contribution shall be reduced by an amount equal to (i) $1.10 times the amount by which the actual Tax Credits received by NEFAC during the Projected First Tax Credit Year is less than the First Year Projected Tax Credits; minus (ii) the net present value of the additional Tax Credits to be received by NEFAC in the 11th year of the Tax Credit Compliance Period, based upon a 10% discount rate.

Ongoing Credit Shortfall. If at any point in time after the end of the Projected First Tax Credit Year but before the end of the Tax Credit Compliance Period, the actual Tax Credits received by NEFAC are less than the Projected Tax Credits, or if there is recapture (as defined in Section 42 of the Code) of Tax Credit, then any remaining portion of the NEFAC Capital Contribution shall be reduced by one dollar for each dollar of reduction of the Projected Tax Credits or each dollar of Tax Credits that are recaptured (the "Credit Reduction Payment"), up to a maximum total amount equal to the total Developer Fee.

In the event the remaining unpaid portion of the Limited Partner's Capital Contribution obligation is insufficient for the Limited Partner to offset all amounts that are due and owing from the General Partner to the Limited Partners pursuant to the Credit Adjusters, or the Limited Partner elects not to offset the Credit Adjusters against the remaining Limited Partner Capital Contribution Installments, then the General Partner shall, upon demand, pay the Limited Partner any remaining amount that is due and owing to the Limited Partner.

7. Reserves.

Operating Reserve. The General Partner shall establish an Operating Reserve which shall be funded from NEFAC's fourth installment of equity in the amount of $185,000 and thereafter the General Partner will be required to maintain this Operating Reserve balance from Project cash flow.

Replacement Reserve. Annual amount of $300 per unit per year (to be increased annually by three percent (3%) from project revenues. NEF's prior written consent will be required for any withdrawals greater than $5,000.

Revenue Deficit Reserve. $520,000, funded from the fourth installment of NEF's Capital Contributions. The Revenue Deficit Reserve is to be used only to fund Operating Deficits.

Upon further underwriting, NEF may determine a different amount required for the Internal Rent

Reserve to fund Operating Deficits projected to occur if the rental subsidy for the project is either not renewed past its initial term or reduced. The Internal Reserve Account will be held pursuant to a Funding and Disbursement Agreement entered into between the Limited Partnership, the General Partner and NEF.

Tax and Insurance Escrow Account. $300,000, funded from the fourth installment of NEF's Capital Contributions, to be used to fund first year tax and insurance expenses.

8. General Partner Guaranties.

Development Completion Guaranty. The General Partner and Guarantors will provide the Partnership with a Development Completion Guaranty. This guaranty obligation will become effective at the time of execution of the Partnership Agreement and will continue until the later of (i) 1 year after completion of construction, to cover the General Partner's latent defects obligation, or (ii) achievement of Breakeven Operations, to cover the General Partner's obligation to fund Project operating deficits. Payments made under the guaranty will be considered General Partner loans to the Partnership at 0% interest, repayable from cash flow.

Operating Deficit Guaranty. The General Partner and Guarantors will provide an Operating Deficit Guaranty in an amount equivalent to six months of operating expenses and reserves, which guaranty will commence upon achievement of Breakeven Operations and remain in place until the later of (i) five years from achievement of Breakeven Operations, or (ii) until the Project has maintained a 1.15 debt service coverage ratio for at least 36 consecutive months, including the last month of such period. This guaranty obligation will be used to fund or pay operating deficits incurred by the Partnership and current liabilities of the Partnership upon the depletion of the funds in the Partnership Operating Reserve. Amounts expended to satisfy this obligation shall be treated as non-interest bearing loans to the Partnership and shall be repaid out of distributable cash flow.

Repurchase. The General Partner shall repurchase the interest of the Limited Partner for an amount equal to the amount of NEFAC's Capital Contribution that has been funded plus $50,000 and all of the expenses incurred by NEF and NEFAC in conjunction with the transaction, if the Limited Partner so elects, upon the occurrence of certain major adverse events which will be described in detail in the Partnership Agreement, such as an event which threatens to deprive the Partnership or the Limited Partner of a substantial amount of the Projected Tax Credits or an action is commenced to foreclose, abandon, or permanently enjoin construction or rehabilitation of the Project.

The Guarantor will be required to execute a separate Guaranty Agreement whereby they will guaranty all of the above guaranty obligations of the General Partner and all of the General Partner's other obligations under the Limited Partnership Agreement.

9. Property Management.

Appointment of the Management Agent must be approved by NEF. The Management Agent may be replaced from time to time by the General Partner provided that NEF approves the proposed replacement Management Agent in writing. The Management Agent shall initially earn a Property Management Fee no greater than 8% of the Project's gross collected rents. If the Management Agent is related to a General Partner, the payment of the Property Management Fee will be subordinated to the payment of operating deficits, if necessary, to maintain Breakeven Operations.

10. Asset Management Fee.

The Partnership will pay from net cash flow to NEF or its designated affiliate an annual Asset Management Fee in the amount of $5,000, to be increased annually by three percent (3%).

11. Partnership Management Fee.

The General Partner shall receive an annual Partnership Management Fee in the amount of $7,500, to be increased annually by three percent (3%).

12. Right of First Refusal.

It is the express objective of NEF to identify and implement strategies to maintain projects permanently as low and moderate-income housing. As a qualified 501(c)(3) corporation, if the Project Sponsor agrees to maintain the property for low-income use, as defined in Section 42 of the Code, for a total period of at least 30 years, it will be granted a right of first refusal to purchase the Property at the end of the Tax Credit Compliance Period, for a price equal to the sum of: a) all outstanding Partnership debt, including General Partner and Limited Partner loans; b) any state, local or federal taxes owed by NEFAC as a result of the sale; and c) any unpaid portion of any Credit Adjuster payments due and owing to the Limited Partner.

13. Limited Partner Costs and Expenses.

NEF will charge the Company $52,000 for legal fees and other closing costs inclusive of the NEF tax opinion.

15. Issues to be Resolved Prior to Investment Committee Review.

A. Review of all tax credit documentation
C. Review of a Market Study and appraisal
D. Review of all financing commitments for the Project
E. Review of contractor and architect resume and experience
F. Review of the plans and specifications and construction cost breakdown
G. Review of property manager resume and experience
H. Review of Phase I Environmental Report
I. Review of Project operating expenses

16. Summary.

This letter is based on assumptions and information, including estimates of Project costs, timing assumptions and debt financing, provided by the Sponsor. Any changes in these assumptions may result in changes to the terms and conditions, including purchase price, outlined in this letter.

We are delighted that you have chosen to work with NEF. If the terms and conditions of this letter are acceptable to you, please sign and return this letter to NEF. Should the Project receive an award of LIHTC from FHFC, both parties agree to make a good faith effort to close on the terms described herein. This proposal is valid for 15 business days from the date of this letter, unless countersigned by you. Please note that if this Project does not close within the time frame specified in this letter, NEF reserves the right to re-negotiate the terms and price of this offer.

Upon receipt of this signed letter, an award of LIHTC, and receipt of all due diligence materials needed, NEF will take the Project to our Investment Review Committee for review and approval.

We wish you success in your application for Low Income Housing Tax Credits and look forward to working with you to provide needed affordable housing in your community.

Very truly yours,

NATIONAL EQUITY FUND, INC.

By: _____
Tony Lyons
Vice President and Regional Manager

The foregoing is hereby agreed to and confirmed.

Miami Redevelopment Partners, LLC

By: _____

National Equity Fund, INC
an affiliate of LISC

July 6, 2015

Joe Chambers, President
Miami Redevelopment Partners, LLC
205 E. Central Blvd., Ste. 304
Orlando, FL 32801

RE: **Liberty Rising Phase 1**
4751 NW 24th Ct.
Miami, Florida

Dear Mr. Chambers:

The National Equity Fund, Inc. ("NEF") is pleased to propose the terms and conditions, as set forth in this letter of interest, pursuant to which NEF, through its affiliate, NEF Assignment Corporation ("NEFAC"), will provide equity capital for the above described property. This letter is based on certain assumptions and information, including estimates of Project costs, timing assumptions and debt financing, provided by the Sponsor. Any changes in these assumptions or this information may result in changes to the terms and conditions, including the purchase price, outlined in this letter.

1. <u>Project Information</u>

The Liberty Rising Phase 1 project will involve the new construction of 185 affordable rental units for families in Miami, Florida.

NEF has analyzed the project's development budget and has based this offer on the assumption of a total development cost of approximately $43.65 million and an allocation of 2016 low income housing tax credits from the Florida Housing Finance Corporation ("FHFC"). Financing will include low-income housing tax credits, Miami-Dade County and Miami-Dade Public Housing and Community Development Department funding. The project will include 22 one-bedroom, 87 two-bedroom, 43 three-bedroom units, 23 four-bedroom units and 10 five-bedroom units. All units will receive public housing ACC and Section 8 project-based voucher operating subsidies. All units will be affordable to residents earning no more than 60% AMI.

NEF Assignment Corporation ("NEFAC") will act as nominee limited partner on behalf of one or more investor limited partnerships or limited liability companies of which NEF is the general partner or managing member. NEF will have the right to assign the beneficial portion of its limited partner or member interest to one or more investor limited partnerships or limited liability companies of its choosing.

2. Development Team

Developer:	A to-be-formed affiliate of Miami Redevelopment Partners, LLC
General Contractor:	TBD
Attorney:	Klein Hornig LLP

3. Timing Assumptions

This letter is based on the following timing assumptions:

Construction Start:	January 2016
Partnership Investment Closing:	January 2016
Placement in Service Date:	December 2016
100% Qualified Occupancy:	June 2017

If the timing assumptions set forth above are not met, the terms and conditions of this Letter of Interest, including the purchase price, will be subject to change.

4. Tax Credits

The Sponsor is applying to the FHFC for $2,561,000 of 9% low income housing tax credits. The requested credit amount is based on the Project having an adjusted eligible basis of $39,728,451, using a tax credit rate of 7.52% and a 130% basis boost. The total Tax Credits anticipated to be claimed by the Partnership are $25,610,000 of LIHTCs (the "Projected Tax Credits"). The Projected Tax Credits are expected to be available to the Partnership beginning in 2017.

5. Capital Contributions

NEFAC will purchase the above credits for a total purchase price (the "NEFAC Capital Contribution") of $28,168,183, or $1.10 cents for each $1.00 of LIHTCs. NEFAC shall make its capital contributions to the Partnership as described below:

	NEFAC Equity Amounts
Condition	Total Equity
NEF Closing / Closing	$2,816,818
25% Construction	$5,633,637
50% Construction	$5,633,637
75% Construction	$5,633,637
100% Construction Complete	$5,633,637
Stabilization/Conversion/8609	$2,816,818
Total	$28,168,183

Developer Fee Equity. The Project Sponsor, or whoever else is designated in the Development Agreement to receive such payment, shall be paid a development fee (the "Developer Fee") in the amount of $5,602,163. The Developer Fee shall be payable at the times and upon the conditions set forth in the Development Agreement. The Developer Fee will be paid to the Partnership out of the NEFAC Capital Contribution (the "Developer Fee Equity"), which will in turn pay the

Developer Fee Equity to the Project Sponsor pursuant to the Development Fee Agreement, on the above schedule.

Deferred Developer Fee. Any portion of the Developer Fee that is not paid out of Developer Fee Equity or other financing sources shall be paid as a deferred developer fee (the "Deferred Developer Fee") from Project cash flow or the proceeds of refinancing or sale of the Project.

6. Adjustment to Purchase Price (Credit Adjusters)

Permanent Reduction in LIHTCs. The NEFAC Capital Contribution to the Partnership shall be decreased if: (i) the receipt of the Project Cost Certification, or (ii) the receipt of the Form 8609 for the Project, the maximum Actual Tax Credits are less than the Projected Tax Credits. In such an event, the NEFAC Capital Contribution shall be reduced by $1.10 times the amount by which the Actual Tax Credits are less than the Projected Tax Credits.

Material Timing Difference – Tax Credits. In the event that LIHTCs are not available to NEFAC during the Projected First Tax Credit Year in the amount projected(the "First Year Projected Tax Credits"), the NEFAC Capital Contribution shall be reduced by an amount equal to (i) $1.10 times the amount by which the actual Tax Credits received by NEFAC during the Projected First Tax Credit Year is less than the First Year Projected Tax Credits; minus (ii) the net present value of the additional Tax Credits to be received by NEFAC in the 11th year of the Tax Credit Compliance Period, based upon a 10% discount rate.

Ongoing Credit Shortfall. If at any point in time after the end of the Projected First Tax Credit Year but before the end of the Tax Credit Compliance Period, the actual Tax Credits received by NEFAC are less than the Projected Tax Credits, or if there is recapture (as defined in Section 42 of the Code) of Tax Credit, then any remaining portion of the NEFAC Capital Contribution shall be reduced by one dollar for each dollar of reduction of the Projected Tax Credits or each dollar of Tax Credits that are recaptured (the "Credit Reduction Payment"), up to a maximum total amount equal to the total Developer Fee.

In the event the remaining unpaid portion of the Limited Partner's Capital Contribution obligation is insufficient for the Limited Partner to offset all amounts that are due and owing from the General Partner to the Limited Partners pursuant to the Credit Adjusters, or the Limited Partner elects not to offset the Credit Adjusters against the remaining Limited Partner Capital Contribution Installments, then the General Partner shall, upon demand, pay the Limited Partner any remaining amount that is due and owing to the Limited Partner.

7. Reserves

Operating Reserve. The General Partner shall establish an Operating Reserve which shall be funded from NEFAC's fourth installment of equity in the amount of $510,000 and thereafter the General Partner will be required to maintain this Operating Reserve balance from Project cash flow.

Replacement Reserve. Annual amount of $300 per unit per year (to be increased annually by three percent (3%) from project revenues. NEF's prior written consent will be required for any withdrawals greater than $5,000.

Internal Rent Reserve. $185,000, funded from the fourth installment of NEF's Capital Contributions. The Internal Rent Reserve is to be used only to fund Operating Deficits projected to occur due to the lower rents for the 20% AMI units.

Upon further underwriting, NEF may determine a different amount required for the Internal Rent Reserve to fund Operating Deficits projected to occur if the rental subsidy for the project is either not renewed past its initial term or reduced. The Internal Reserve Account will be held pursuant to a Funding and Disbursement Agreement entered into between the Limited Partnership, the General Partner and NEF.

Tax and Insurance Escrow Account. $300,000, funded from the fourth installment of NEF's Capital Contributions, to be used to fund first year tax and insurance expenses.

8. General Partner Guaranties

Development Completion Guaranty. The General Partner and Guarantors will provide the Partnership with a Development Completion Guaranty. This guaranty obligation will become effective at the time of execution of the Partnership Agreement and will continue until the later of (i) 1 year after completion of construction, to cover the General Partner's latent defects obligation, or (ii) achievement of Breakeven Operations, to cover the General Partner's obligation to fund Project operating deficits. Payments made under the guaranty will be considered General Partner loans to the Partnership at 0% interest, repayable from cash flow.

Operating Deficit Guaranty. The General Partner and Guarantors will provide an Operating Deficit Guaranty in an amount equivalent to six months of operating expenses and reserves, which guaranty will commence upon achievement of Breakeven Operations and remain in place until the later of (i) five years from achievement of Breakeven Operations, or (ii) until the Project has maintained a 1.15 debt service coverage ratio for at least 36 consecutive months, including the last month of such period. This guaranty obligation will be used to fund or pay operating deficits incurred by the Partnership and current liabilities of the Partnership upon the depletion of the funds in the Partnership Operating Reserve. Amounts expended to satisfy this obligation shall be treated as non-interest bearing loans to the Partnership and shall be repaid out of distributable cash flow.

Repurchase. The General Partner shall repurchase the interest of the Limited Partner for an amount equal to the amount of NEFAC's Capital Contribution that has been funded plus $50,000 and all of the expenses incurred by NEF and NEFAC in conjunction with the transaction, if the Limited Partner so elects, upon the occurrence of certain major adverse events which will be described in detail in the Partnership Agreement, such as an event which threatens to deprive the Partnership or the Limited Partner of a substantial amount of the Projected Tax Credits or an action is commenced to foreclose, abandon, or permanently enjoin construction or rehabilitation of the Project.

The Guarantor will be required to execute a separate Guaranty Agreement whereby they will guaranty all of the above guaranty obligations of the General Partner and all of the General Partner's other obligations under the Limited Partnership Agreement.

9. Property Management

Appointment of the Management Agent must be approved by NEF. The Management Agent may be replaced from time to time by the General Partner provided that NEF approves the proposed replacement Management Agent in writing. The Management Agent shall initially earn a Property Management Fee no greater than 8% of the Project's gross collected rents. If the Management Agent is related to a General Partner, the payment of the Property Management Fee will be subordinated to the payment of operating deficits, if necessary, to maintain Breakeven Operations.

10. Asset Management Fee

The Partnership will pay from net cash flow to NEF or its designated affiliate an annual Asset Management Fee in the amount of $5,000, to be increased annually by three percent (3%).

11. Partnership Management Fee

The General Partner shall receive an annual Partnership Management Fee in the amount of $7,500, to be increased annually by three percent (3%).

12. Right of First Refusal

It is the express objective of NEF to identify and implement strategies to maintain projects permanently as low and moderate-income housing. As a qualified 501(c)(3) corporation, if the Project Sponsor agrees to maintain the property for low-income use, as defined in Section 42 of the Code, for a total period of at least 30 years, it will be granted a right of first refusal to purchase the Property at the end of the Tax Credit Compliance Period, for a price equal to the sum of: a) all outstanding Partnership debt, including General Partner and Limited Partner loans; b) any state, local or federal taxes owed by NEFAC as a result of the sale; and c) any unpaid portion of any Credit Adjuster payments due and owing to the Limited Partner.

13. Limited Partner Costs and Expenses

NEF will charge the Company $52,000 for legal fees and other closing costs inclusive of the NEF tax opinion.

15. Issues to be Resolved Prior to Investment Committee Review.

A. Review of all tax credit documentation
C. Review of a Market Study and appraisal
D. Review of all financing commitments for the Project
E. Review of contractor and architect resume and experience
F. Review of the plans and specifications and construction cost breakdown
G. Review of property manager resume and experience
H. Review of Phase I Environmental Report
I. Review of Project operating expenses

16. Summary

This letter is based on assumptions and information, including estimates of Project costs, timing assumptions and debt financing, provided by the Sponsor. Any changes in these assumptions may result in changes to the terms and conditions, including purchase price, outlined in this letter.

We are delighted that you have chosen to work with NEF. If the terms and conditions of this letter are acceptable to you, please sign and return this letter to NEF. Should the Project receive an award of LIHTC from FHFC, both parties agree to make a good faith effort to close on the terms described herein. This proposal is valid for 15 business days from the date of this letter, unless countersigned by you. Please note that if this Project does not close within the time frame specified in this letter, NEF reserves the right to re-negotiate the terms and price of this offer.

Upon receipt of this signed letter, an award of LIHTC, and receipt of all due diligence materials needed, NEF will take the Project to our Investment Review Committee for review and approval.

We wish you success in your application for Low Income Housing Tax Credits and look forward to working with you to provide needed affordable housing in your community.

Very truly yours,

NATIONAL EQUITY FUND, INC.

By: _____
Tony Lyons
Vice President and Regional Manager

The foregoing is hereby agreed to and confirmed.

Miami Redevelopment Partners, LLC

By: _____

National Equity Fund, INC
an affiliate of LISC

July 8, 2015

Joe Chambers, President
Miami Redevelopment Partners, LLC
205 E. Central Blvd., Ste. 304
Orlando, FL 32801

RE: **Liberty Rising Phase 2**
1415 NW 63rd St.
Miami, Florida

Dear Mr. Chambers:

The National Equity Fund, Inc. ("NEF") is pleased to propose the terms and conditions, as set forth in this letter of interest, pursuant to which NEF, through its affiliate, NEF Assignment Corporation ("NEFAC"), will provide equity capital for the above described property. This letter is based on certain assumptions and information, including estimates of Project costs, timing assumptions and debt financing, provided by the Sponsor. Any changes in these assumptions or this information may result in changes to the terms and conditions, including the purchase price, outlined in this letter.

1. <u>Project Information</u>

The Liberty Rising Phase 2 project will involve the new construction of 256 affordable rental units for families in Miami, Florida.

NEF has analyzed the project's development budget and has based this offer on the assumption of a total development cost of approximately $63.46 million and an allocation of 2017 low income housing tax credits from the Florida Housing Finance Corporation ("FHFC"). Financing will include low-income housing tax credits, Miami-Dade County and Miami-Dade Public Housing and Community Development Department funding. The project will include 31 one-bedroom, 122 two-bedroom, 60 three-bedroom units, 30 four-bedroom units and 13 five-bedroom units. 159 units will receive public housing ACC and Section 8 project-based voucher operating subsidies. All units will be affordable to residents earning no more than 60% AMI.

NEF Assignment Corporation ("NEFAC") will act as nominee limited partner on behalf of one or more investor limited partnerships or limited liability companies of which NEF is the general partner or managing member. NEF will have the right to assign the beneficial portion of its limited partner or member interest to one or more investor limited partnerships or limited liability companies of its choosing.

2. Development Team

Developer:	A to-be-formed affiliate of Miami Redevelopment Partners, LLC
General Contractor:	TBD
Attorney:	Klein Hornig LLP

3. Timing Assumptions

This letter is based on the following timing assumptions:

Construction Start:	January 2017
Partnership Investment Closing:	January 2017
Placement in Service Date:	December 2017
100% Qualified Occupancy:	June 2018

If the timing assumptions set forth above are not met, the terms and conditions of this Letter of Interest, including the purchase price, will be subject to change.

4. Tax Credits

The Sponsor is applying to the FHFC for $2,332,091 of 4% low income housing tax credits. The requested credit amount is based on the Project having an adjusted eligible basis of $55,812,492, using a tax credit rate of 3.22% and a 130% basis boost. The total Tax Credits anticipated to be claimed by the Partnership are $23,320,914 of LIHTCs (the "Projected Tax Credits"). The Projected Tax Credits are expected to be available to the Partnership beginning in 2017.

5. Capital Contributions

NEFAC will purchase the above credits for a total purchase price (the "NEFAC Capital Contribution") of $25,650,436, or $1.10 cents for each $1.00 of LIHTCs. NEFAC shall make its capital contributions to the Partnership as described below:

NEFAC Equity Amounts

Condition	Total Equity
NEF Closing / Closing	$3,867,983
25% Construction	$3,657,065
50% Construction	$3,657,065
75% Construction	$3,657,065
100% Construction Complete	$5,352,734
Stabilization/Conversion/8609	$5,458,523
Total	$25,650,436

Developer Fee Equity. The Project Sponsor, or whoever else is designated in the Development Agreement to receive such payment, shall be paid a development fee (the "Developer Fee") in the amount of $9,532,931. The Developer Fee shall be payable at the times and upon the conditions set forth in the Development Agreement. The Developer Fee will be paid to the Partnership out of the NEFAC Capital Contribution (the "Developer Fee Equity"), which will in turn pay the

Developer Fee Equity to the Project Sponsor pursuant to the Development Fee Agreement, on the above schedule.

Deferred Developer Fee. Any portion of the Developer Fee that is not paid out of Developer Fee Equity or other financing sources shall be paid as a deferred developer fee (the "Deferred Developer Fee") from Project cash flow or the proceeds of refinancing or sale of the Project.

6. Adjustment to Purchase Price (Credit Adjusters).

Permanent Reduction in LIHTCs. The NEFAC Capital Contribution to the Partnership shall be decreased if: (i) the receipt of the Project Cost Certification, or (ii) the receipt of the Form 8609 for the Project, the maximum Actual Tax Credits are less than the Projected Tax Credits. In such an event, the NEFAC Capital Contribution shall be reduced by $1.10 times the amount by which the Actual Tax Credits are less than the Projected Tax Credits.

Material Timing Difference – Tax Credits. In the event that LIHTCs are not available to NEFAC during the Projected First Tax Credit Year in the amount projected(the "First Year Projected Tax Credits"), the NEFAC Capital Contribution shall be reduced by an amount equal to (i) $1.10 times the amount by which the actual Tax Credits received by NEFAC during the Projected First Tax Credit Year is less than the First Year Projected Tax Credits; minus (ii) the net present value of the additional Tax Credits to be received by NEFAC in the 11th year of the Tax Credit Compliance Period, based upon a 10% discount rate.

Ongoing Credit Shortfall. If at any point in time after the end of the Projected First Tax Credit Year but before the end of the Tax Credit Compliance Period, the actual Tax Credits received by NEFAC are less than the Projected Tax Credits, or if there is recapture (as defined in Section 42 of the Code) of Tax Credit, then any remaining portion of the NEFAC Capital Contribution shall be reduced by one dollar for each dollar of reduction of the Projected Tax Credits or each dollar of Tax Credits that are recaptured (the "Credit Reduction Payment"), up to a maximum total amount equal to the total Developer Fee.

In the event the remaining unpaid portion of the Limited Partner's Capital Contribution obligation is insufficient for the Limited Partner to offset all amounts that are due and owing from the General Partner to the Limited Partners pursuant to the Credit Adjusters, or the Limited Partner elects not to offset the Credit Adjusters against the remaining Limited Partner Capital Contribution Installments, then the General Partner shall, upon demand, pay the Limited Partner any remaining amount that is due and owing to the Limited Partner.

7. Reserves.

Operating Reserve. The General Partner shall establish an Operating Reserve which shall be funded from NEFAC's sixth installment of equity in the amount of $250,000 and thereafter the General Partner will be required to maintain this Operating Reserve balance from Project cash flow.

Replacement Reserve. Annual amount of $300 per unit per year (to be increased annually by three percent (3%) from project revenues. NEF's prior written consent will be required for any withdrawals greater than $5,000.

Revenue Deficit Reserve. $720,000, funded from the sixth installment of NEF's Capital Contributions. The Revenue Deficit Reserve is to be used only to fund Operating Deficits.

Upon further underwriting, NEF may determine a different amount required for the Internal Rent

Reserve to fund Operating Deficits projected to occur if the rental subsidy for the project is either not renewed past its initial term or reduced. The Internal Reserve Account will be held pursuant to a Funding and Disbursement Agreement entered into between the Limited Partnership, the General Partner and NEF.

Tax and Insurance Escrow Account. $300,000, funded from the sixth installment of NEF's Capital Contributions, to be used to fund first year tax and insurance expenses.

8. General Partner Guaranties.

Development Completion Guaranty. The General Partner and Guarantors will provide the Partnership with a Development Completion Guaranty. This guaranty obligation will become effective at the time of execution of the Partnership Agreement and will continue until the later of (i) 1 year after completion of construction, to cover the General Partner's latent defects obligation, or (ii) achievement of Breakeven Operations, to cover the General Partner's obligation to fund Project operating deficits. Payments made under the guaranty will be considered General Partner loans to the Partnership at 0% interest, repayable from cash flow.

Operating Deficit Guaranty. The General Partner and Guarantors will provide an Operating Deficit Guaranty in an amount equivalent to six months of operating expenses and reserves, which guaranty will commence upon achievement of Breakeven Operations and remain in place until the later of (i) five years from achievement of Breakeven Operations, or (ii) until the Project has maintained a 1.15 debt service coverage ratio for at least 36 consecutive months, including the last month of such period. This guaranty obligation will be used to fund or pay operating deficits incurred by the Partnership and current liabilities of the Partnership upon the depletion of the funds in the Partnership Operating Reserve. Amounts expended to satisfy this obligation shall be treated as non-interest bearing loans to the Partnership and shall be repaid out of distributable cash flow.

Repurchase. The General Partner shall repurchase the interest of the Limited Partner for an amount equal to the amount of NEFAC's Capital Contribution that has been funded plus $50,000 and all of the expenses incurred by NEF and NEFAC in conjunction with the transaction, if the Limited Partner so elects, upon the occurrence of certain major adverse events which will be described in detail in the Partnership Agreement, such as an event which threatens to deprive the Partnership or the Limited Partner of a substantial amount of the Projected Tax Credits or an action is commenced to foreclose, abandon, or permanently enjoin construction or rehabilitation of the Project.

The Guarantor will be required to execute a separate Guaranty Agreement whereby they will guaranty all of the above guaranty obligations of the General Partner and all of the General Partner's other obligations under the Limited Partnership Agreement.

9. Property Management.

Appointment of the Management Agent must be approved by NEF. The Management Agent may be replaced from time to time by the General Partner provided that NEF approves the proposed replacement Management Agent in writing. The Management Agent shall initially earn a Property Management Fee no greater than 8% of the Project's gross collected rents. If the Management Agent is related to a General Partner, the payment of the Property Management Fee will be subordinated to the payment of operating deficits, if necessary, to maintain Breakeven Operations.

10. Asset Management Fee.

The Partnership will pay from net cash flow to NEF or its designated affiliate an annual Asset Management Fee in the amount of $5,000, to be increased annually by three percent (3%).

11. Partnership Management Fee.

The General Partner shall receive an annual Partnership Management Fee in the amount of $7,500, to be increased annually by three percent (3%).

12. Right of First Refusal.

It is the express objective of NEF to identify and implement strategies to maintain projects permanently as low and moderate-income housing. As a qualified 501(c)(3) corporation, if the Project Sponsor agrees to maintain the property for low-income use, as defined in Section 42 of the Code, for a total period of at least 30 years, it will be granted a right of first refusal to purchase the Property at the end of the Tax Credit Compliance Period, for a price equal to the sum of: a) all outstanding Partnership debt, including General Partner and Limited Partner loans; b) any state, local or federal taxes owed by NEFAC as a result of the sale; and c) any unpaid portion of any Credit Adjuster payments due and owing to the Limited Partner.

13. Limited Partner Costs and Expenses.

NEF will charge the Company $52,000 for legal fees and other closing costs inclusive of the NEF tax opinion.

15. Issues to be Resolved Prior to Investment Committee Review.

A. Review of all tax credit documentation
C. Review of a Market Study and appraisal
D. Review of all financing commitments for the Project
E. Review of contractor and architect resume and experience
F. Review of the plans and specifications and construction cost breakdown
G. Review of property manager resume and experience
H. Review of Phase I Environmental Report
I. Review of Project operating expenses

16. Summary.

This letter is based on assumptions and information, including estimates of Project costs, timing assumptions and debt financing, provided by the Sponsor. Any changes in these assumptions may result in changes to the terms and conditions, including purchase price, outlined in this letter.

We are delighted that you have chosen to work with NEF. If the terms and conditions of this letter are acceptable to you, please sign and return this letter to NEF. Should the Project receive an award of LIHTC from FHFC, both parties agree to make a good faith effort to close on the terms described herein. This proposal is valid for 15 business days from the date of this letter, unless countersigned by you. Please note that if this Project does not close within the time frame specified in this letter, NEF reserves the right to re-negotiate the terms and price of this offer.

Upon receipt of this signed letter, an award of LIHTC, and receipt of all due diligence materials needed, NEF will take the Project to our Investment Review Committee for review and approval.

We wish you success in your application for Low Income Housing Tax Credits and look forward to working with you to provide needed affordable housing in your community.

Very truly yours,

NATIONAL EQUITY FUND, INC.

By: _____
Tony Lyons
Vice President and Regional Manager

The foregoing is hereby agreed to and confirmed.

Miami Redevelopment Partners, LLC

By: _____

National Equity Fund, INC
an affiliate of LISC

July 8, 2015

Joe Chambers, President
Miami Redevelopment Partners, LLC
205 E. Central Blvd., Ste. 304
Orlando, FL 32801

RE: **Liberty Rising Phase 2**
1415 NW 63rd St.
Miami, Florida

Dear Mr. Chambers:

The National Equity Fund, Inc. ("NEF") is pleased to propose the terms and conditions, as set forth in this letter of interest, pursuant to which NEF, through its affiliate, NEF Assignment Corporation ("NEFAC"), will provide equity capital for the above described property. This letter is based on certain assumptions and information, including estimates of Project costs, timing assumptions and debt financing, provided by the Sponsor. Any changes in these assumptions or this information may result in changes to the terms and conditions, including the purchase price, outlined in this letter.

1. <u>Project Information</u>

The Liberty Rising Phase 2 project will involve the new construction of 256 affordable rental units for families in Miami, Florida.

NEF has analyzed the project's development budget and has based this offer on the assumption of a total development cost of approximately $58.23 million and an allocation of 2017 low income housing tax credits from the Florida Housing Finance Corporation ("FHFC"). Financing will include low-income housing tax credits, Miami-Dade County and Miami-Dade Public Housing and Community Development Department funding. The project will include 31 one-bedroom, 121 two-bedroom, 60 three-bedroom units, 30 four-bedroom units and 13 five-bedroom units. All units will receive public housing ACC and Section 8 project-based voucher operating subsidies. All units will be affordable to residents earning no more than 60% AMI.

NEF Assignment Corporation ("NEFAC") will act as nominee limited partner on behalf of one or more investor limited partnerships or limited liability companies of which NEF is the general partner or managing member. NEF will have the right to assign the beneficial portion of its limited partner or member interest to one or more investor limited partnerships or limited liability companies of its choosing.

2. Development Team

Developer:	A to-be-formed affiliate of Miami Redevelopment Partners, LLC
General Contractor:	TBD
Attorney:	Klein Hornig LLP

3. Timing Assumptions

This letter is based on the following timing assumptions:

Construction Start:	January 2017
Partnership Investment Closing:	January 2017
Placement in Service Date:	December 2017
100% Qualified Occupancy:	June 2018

If the timing assumptions set forth above are not met, the terms and conditions of this Letter of Interest, including the purchase price, will be subject to change.

4. Tax Credits

The Sponsor is applying to the FHFC for $2,561,000 of 9% low income housing tax credits. The requested credit amount is based on the Project having an adjusted eligible basis of $53,328,027, using a tax credit rate of 7.52% and a 130% basis boost. The total Tax Credits anticipated to be claimed by the Partnership are $25,610,000 of LIHTCs (the "Projected Tax Credits"). The Projected Tax Credits are expected to be available to the Partnership beginning in 2017.

5. Capital Contributions

NEFAC will purchase the above credits for a total purchase price (the "NEFAC Capital Contribution") of $28,168,183, or $1.10 cents for each $1.00 of LIHTCs. NEFAC shall make its capital contributions to the Partnership as described below:

	NEFAC Equity Amounts
Condition	Total Equity
NEF Closing / Closing	$2,816,818
25% Construction	$5,633,637
50% Construction	$5,633,637
75% Construction	$5,633,637
100% Construction Complete	$5,633,637
Stabilization/Conversion/8609	$2,816,818
Total	$28,168,183

Developer Fee Equity. The Project Sponsor, or whoever else is designated in the Development Agreement to receive such payment, shall be paid a development fee (the "Developer Fee") in the amount of $7,478,867. The Developer Fee shall be payable at the times and upon the conditions set forth in the Development Agreement. The Developer Fee will be paid to the Partnership out of the NEFAC Capital Contribution (the "Developer Fee Equity"), which will in turn pay the

Developer Fee Equity to the Project Sponsor pursuant to the Development Fee Agreement, on the above schedule.

Deferred Developer Fee. Any portion of the Developer Fee that is not paid out of Developer Fee Equity or other financing sources shall be paid as a deferred developer fee (the "Deferred Developer Fee") from Project cash flow or the proceeds of refinancing or sale of the Project.

6. Adjustment to Purchase Price (Credit Adjusters).

Permanent Reduction in LIHTCs. The NEFAC Capital Contribution to the Partnership shall be decreased if: (i) the receipt of the Project Cost Certification, or (ii) the receipt of the Form 8609 for the Project, the maximum Actual Tax Credits are less than the Projected Tax Credits. In such an event, the NEFAC Capital Contribution shall be reduced by $1.10 times the amount by which the Actual Tax Credits are less than the Projected Tax Credits.

Material Timing Difference – Tax Credits. In the event that LIHTCs are not available to NEFAC during the Projected First Tax Credit Year in the amount projected(the "First Year Projected Tax Credits"), the NEFAC Capital Contribution shall be reduced by an amount equal to (i) $1.10 times the amount by which the actual Tax Credits received by NEFAC during the Projected First Tax Credit Year is less than the First Year Projected Tax Credits; minus (ii) the net present value of the additional Tax Credits to be received by NEFAC in the 11th year of the Tax Credit Compliance Period, based upon a 10% discount rate.

Ongoing Credit Shortfall. If at any point in time after the end of the Projected First Tax Credit Year but before the end of the Tax Credit Compliance Period, the actual Tax Credits received by NEFAC are less than the Projected Tax Credits, or if there is recapture (as defined in Section 42 of the Code) of Tax Credit, then any remaining portion of the NEFAC Capital Contribution shall be reduced by one dollar for each dollar of reduction of the Projected Tax Credits or each dollar of Tax Credits that are recaptured (the "Credit Reduction Payment"), up to a maximum total amount equal to the total Developer Fee.

In the event the remaining unpaid portion of the Limited Partner's Capital Contribution obligation is insufficient for the Limited Partner to offset all amounts that are due and owing from the General Partner to the Limited Partners pursuant to the Credit Adjusters, or the Limited Partner elects not to offset the Credit Adjusters against the remaining Limited Partner Capital Contribution Installments, then the General Partner shall, upon demand, pay the Limited Partner any remaining amount that is due and owing to the Limited Partner.

7. Reserves.

Operating Reserve. The General Partner shall establish an Operating Reserve which shall be funded from NEFAC's sixth installment of equity in the amount of $710,000 and thereafter the General Partner will be required to maintain this Operating Reserve balance from Project cash flow.

Replacement Reserve. Annual amount of $300 per unit per year (to be increased annually by three percent (3%) from project revenues. NEF's prior written consent will be required for any withdrawals greater than $5,000.

Revenue Deficit Reserve. $185,000, funded from the sixth installment of NEF's Capital Contributions. The Revenue Deficit Reserve is to be used only to fund Operating Deficits.

Upon further underwriting, NEF may determine a different amount required for the Internal Rent

Reserve to fund Operating Deficits projected to occur if the rental subsidy for the project is either not renewed past its initial term or reduced. The Internal Reserve Account will be held pursuant to a Funding and Disbursement Agreement entered into between the Limited Partnership, the General Partner and NEF.

Tax and Insurance Escrow Account. $300,000, funded from the sixth installment of NEF's Capital Contributions, to be used to fund first year tax and insurance expenses.

8. General Partner Guaranties.

Development Completion Guaranty. The General Partner and Guarantors will provide the Partnership with a Development Completion Guaranty. This guaranty obligation will become effective at the time of execution of the Partnership Agreement and will continue until the later of (i) 1 year after completion of construction, to cover the General Partner's latent defects obligation, or (ii) achievement of Breakeven Operations, to cover the General Partner's obligation to fund Project operating deficits. Payments made under the guaranty will be considered General Partner loans to the Partnership at 0% interest, repayable from cash flow.

Operating Deficit Guaranty. The General Partner and Guarantors will provide an Operating Deficit Guaranty in an amount equivalent to six months of operating expenses and reserves, which guaranty will commence upon achievement of Breakeven Operations and remain in place until the later of (i) five years from achievement of Breakeven Operations, or (ii) until the Project has maintained a 1.15 debt service coverage ratio for at least 36 consecutive months, including the last month of such period. This guaranty obligation will be used to fund or pay operating deficits incurred by the Partnership and current liabilities of the Partnership upon the depletion of the funds in the Partnership Operating Reserve. Amounts expended to satisfy this obligation shall be treated as non-interest bearing loans to the Partnership and shall be repaid out of distributable cash flow.

Repurchase. The General Partner shall repurchase the interest of the Limited Partner for an amount equal to the amount of NEFAC's Capital Contribution that has been funded plus $50,000 and all of the expenses incurred by NEF and NEFAC in conjunction with the transaction, if the Limited Partner so elects, upon the occurrence of certain major adverse events which will be described in detail in the Partnership Agreement, such as an event which threatens to deprive the Partnership or the Limited Partner of a substantial amount of the Projected Tax Credits or an action is commenced to foreclose, abandon, or permanently enjoin construction or rehabilitation of the Project.

The Guarantor will be required to execute a separate Guaranty Agreement whereby they will guaranty all of the above guaranty obligations of the General Partner and all of the General Partner's other obligations under the Limited Partnership Agreement.

9. Property Management.

Appointment of the Management Agent must be approved by NEF. The Management Agent may be replaced from time to time by the General Partner provided that NEF approves the proposed replacement Management Agent in writing. The Management Agent shall initially earn a Property Management Fee no greater than 8% of the Project's gross collected rents. If the Management Agent is related to a General Partner, the payment of the Property Management Fee will be subordinated to the payment of operating deficits, if necessary, to maintain Breakeven Operations.

10. Asset Management Fee.

The Partnership will pay from net cash flow to NEF or its designated affiliate an annual Asset Management Fee in the amount of $5,000, to be increased annually by three percent (3%).

11. Partnership Management Fee.

The General Partner shall receive an annual Partnership Management Fee in the amount of $7,500, to be increased annually by three percent (3%).

12. Right of First Refusal.

It is the express objective of NEF to identify and implement strategies to maintain projects permanently as low and moderate-income housing. As a qualified 501(c)(3) corporation, if the Project Sponsor agrees to maintain the property for low-income use, as defined in Section 42 of the Code, for a total period of at least 30 years, it will be granted a right of first refusal to purchase the Property at the end of the Tax Credit Compliance Period, for a price equal to the sum of: a) all outstanding Partnership debt, including General Partner and Limited Partner loans; b) any state, local or federal taxes owed by NEFAC as a result of the sale; and c) any unpaid portion of any Credit Adjuster payments due and owing to the Limited Partner.

13. Limited Partner Costs and Expenses.

NEF will charge the Company $52,000 for legal fees and other closing costs inclusive of the NEF tax opinion.

15. Issues to be Resolved Prior to Investment Committee Review.

A. Review of all tax credit documentation
C. Review of a Market Study and appraisal
D. Review of all financing commitments for the Project
E. Review of contractor and architect resume and experience
F. Review of the plans and specifications and construction cost breakdown
G. Review of property manager resume and experience
H. Review of Phase I Environmental Report
I. Review of Project operating expenses

16. Summary.

This letter is based on assumptions and information, including estimates of Project costs, timing assumptions and debt financing, provided by the Sponsor. Any changes in these assumptions may result in changes to the terms and conditions, including purchase price, outlined in this letter.

We are delighted that you have chosen to work with NEF. If the terms and conditions of this letter are acceptable to you, please sign and return this letter to NEF. Should the Project receive an award of LIHTC from FHFC, both parties agree to make a good faith effort to close on the terms described herein. This proposal is valid for 15 business days from the date of this letter, unless countersigned by you. Please note that if this Project does not close within the time frame specified in this letter, NEF reserves the right to re-negotiate the terms and price of this offer.

Upon receipt of this signed letter, an award of LIHTC, and receipt of all due diligence materials needed, NEF will take the Project to our Investment Review Committee for review and approval.

We wish you success in your application for Low Income Housing Tax Credits and look forward to working with you to provide needed affordable housing in your community.

Very truly yours,

NATIONAL EQUITY FUND, INC.

By: _____
Tony Lyons
Vice President and Regional Manager

The foregoing is hereby agreed to and confirmed.

Miami Redevelopment Partners, LLC

By: _____

National Equity Fund, INC
an affiliate of LISC

July 8, 2015

Joe Chambers, President
Miami Redevelopment Partners, LLC
205 E. Central Blvd., Ste. 304
Orlando, FL 32801

RE: **Liberty Rising Phase 3**
1415 NW 63rd St.
Miami, Florida

Dear Mr. Chambers:

The National Equity Fund, Inc. ("NEF") is pleased to propose the terms and conditions, as set forth in this letter of interest, pursuant to which NEF, through its affiliate, NEF Assignment Corporation ("NEFAC"), will provide equity capital for the above described property. This letter is based on certain assumptions and information, including estimates of Project costs, timing assumptions and debt financing, provided by the Sponsor. Any changes in these assumptions or this information may result in changes to the terms and conditions, including the purchase price, outlined in this letter.

1. <u>Project Information</u>

The Liberty Rising Phase 3 project will involve the new construction of 204 affordable rental units for families in Miami, Florida.

NEF has analyzed the project's development budget and has based this offer on the assumption of a total development cost of approximately $49.4 million and an allocation of 2018 low income housing tax credits from the Florida Housing Finance Corporation ("FHFC"). Financing will include low-income housing tax credits, Miami-Dade County and Miami-Dade Public Housing and Community Development Department funding. The project will include 25 one-bedroom, 97 two-bedroom, 48 three-bedroom units, 23 four-bedroom units and 11 five-bedroom units. 128 units will receive public housing ACC and Section 8 project-based voucher operating subsidies. All units will be affordable to residents earning no more than 60% AMI.

NEF Assignment Corporation ("NEFAC") will act as nominee limited partner on behalf of one or more investor limited partnerships or limited liability companies of which NEF is the general partner or managing member. NEF will have the right to assign the beneficial portion of its limited partner or member interest to one or more investor limited partnerships or limited liability companies of its choosing.

2. Development Team

Developer:	A to-be-formed affiliate of Miami Redevelopment Partners, LLC
General Contractor:	TBD
Attorney:	Klein Hornig LLP

3. Timing Assumptions

This letter is based on the following timing assumptions:

Construction Start:	January 2018
Partnership Investment Closing:	January 2018
Placement in Service Date:	December 2018
100% Qualified Occupancy:	June 2019

If the timing assumptions set forth above are not met, the terms and conditions of this Letter of Interest, including the purchase price, will be subject to change.

4. Tax Credits

The Sponsor is applying to the FHFC for $1,805,492 of 4% low income housing tax credits. The requested credit amount is based on the Project having an adjusted eligible basis of $43,244,069, using a tax credit rate of 3.22% and a 130% basis boost. The total Tax Credits anticipated to be claimed by the Partnership are $18,054,922 of LIHTCs (the "Projected Tax Credits"). The Projected Tax Credits are expected to be available to the Partnership beginning in 2017.

5. Capital Contributions

NEFAC will purchase the above credits for a total purchase price (the "NEFAC Capital Contribution") of $19,858,426, or $1.10 cents for each $1.00 of LIHTCs. NEFAC shall make its capital contributions to the Partnership as described below:

NEFAC Equity Amounts

Condition	Total Equity
NEF Closing / Closing	$2,986,925
25% Construction	$2,811,664
50% Construction	$2,811,664
75% Construction	$2,811,664
100% Construction Complete	$4,119,713
Stabilization/Conversion/8609	$4,316,796
Total	$19,858,426

Developer Fee Equity. The Project Sponsor, or whoever else is designated in the Development Agreement to receive such payment, shall be paid a development fee (the "Developer Fee") in the amount of $7,416,551. The Developer Fee shall be payable at the times and upon the conditions set forth in the Development Agreement. The Developer Fee will be paid to the Partnership out of the NEFAC Capital Contribution (the "Developer Fee Equity"), which will in turn pay the

Developer Fee Equity to the Project Sponsor pursuant to the Development Fee Agreement, on the above schedule.

Deferred Developer Fee. Any portion of the Developer Fee that is not paid out of Developer Fee Equity or other financing sources shall be paid as a deferred developer fee (the "Deferred Developer Fee") from Project cash flow or the proceeds of refinancing or sale of the Project.

6. Adjustment to Purchase Price (Credit Adjusters)

Permanent Reduction in LIHTCs. The NEFAC Capital Contribution to the Partnership shall be decreased if: (i) the receipt of the Project Cost Certification, or (ii) the receipt of the Form 8609 for the Project, the maximum Actual Tax Credits are less than the Projected Tax Credits. In such an event, the NEFAC Capital Contribution shall be reduced by $1.10 times the amount by which the Actual Tax Credits are less than the Projected Tax Credits.

Material Timing Difference – Tax Credits. In the event that LIHTCs are not available to NEFAC during the Projected First Tax Credit Year in the amount projected(the "First Year Projected Tax Credits"), the NEFAC Capital Contribution shall be reduced by an amount equal to (i) $1.10 times the amount by which the actual Tax Credits received by NEFAC during the Projected First Tax Credit Year is less than the First Year Projected Tax Credits; minus (ii) the net present value of the additional Tax Credits to be received by NEFAC in the 11th year of the Tax Credit Compliance Period, based upon a 10% discount rate.

Ongoing Credit Shortfall. If at any point in time after the end of the Projected First Tax Credit Year but before the end of the Tax Credit Compliance Period, the actual Tax Credits received by NEFAC are less than the Projected Tax Credits, or if there is recapture (as defined in Section 42 of the Code) of Tax Credit, then any remaining portion of the NEFAC Capital Contribution shall be reduced by one dollar for each dollar of reduction of the Projected Tax Credits or each dollar of Tax Credits that are recaptured (the "Credit Reduction Payment"), up to a maximum total amount equal to the total Developer Fee.

In the event the remaining unpaid portion of the Limited Partner's Capital Contribution obligation is insufficient for the Limited Partner to offset all amounts that are due and owing from the General Partner to the Limited Partners pursuant to the Credit Adjusters, or the Limited Partner elects not to offset the Credit Adjusters against the remaining Limited Partner Capital Contribution Installments, then the General Partner shall, upon demand, pay the Limited Partner any remaining amount that is due and owing to the Limited Partner.

7. Reserves

Operating Reserve. The General Partner shall establish an Operating Reserve which shall be funded from NEFAC's sixth installment of equity in the amount of $204,000 and thereafter the General Partner will be required to maintain this Operating Reserve balance from Project cash flow.

Replacement Reserve. Annual amount of $300 per unit per year (to be increased annually by three percent (3%) from project revenues. NEF's prior written consent will be required for any withdrawals greater than $5,000.

Revenue Deficit Reserve. $580,000, funded from the sixth installment of NEF's Capital Contributions. The Revenue Deficit Reserve is to be used only to fund Operating Deficits.

Upon further underwriting, NEF may determine a different amount required for the Internal Rent

Reserve to fund Operating Deficits projected to occur if the rental subsidy for the project is either not renewed past its initial term or reduced. The Internal Reserve Account will be held pursuant to a Funding and Disbursement Agreement entered into between the Limited Partnership, the General Partner and NEF.

Tax and Insurance Escrow Account. $300,000, funded from the sixth installment of NEF's Capital Contributions, to be used to fund first year tax and insurance expenses.

8. General Partner Guaranties

Development Completion Guaranty. The General Partner and Guarantors will provide the Partnership with a Development Completion Guaranty. This guaranty obligation will become effective at the time of execution of the Partnership Agreement and will continue until the later of (i) 1 year after completion of construction, to cover the General Partner's latent defects obligation, or (ii) achievement of Breakeven Operations, to cover the General Partner's obligation to fund Project operating deficits. Payments made under the guaranty will be considered General Partner loans to the Partnership at 0% interest, repayable from cash flow.

Operating Deficit Guaranty. The General Partner and Guarantors will provide an Operating Deficit Guaranty in an amount equivalent to six months of operating expenses and reserves, which guaranty will commence upon achievement of Breakeven Operations and remain in place until the later of (i) five years from achievement of Breakeven Operations, or (ii) until the Project has maintained a 1.15 debt service coverage ratio for at least 36 consecutive months, including the last month of such period. This guaranty obligation will be used to fund or pay operating deficits incurred by the Partnership and current liabilities of the Partnership upon the depletion of the funds in the Partnership Operating Reserve. Amounts expended to satisfy this obligation shall be treated as non-interest bearing loans to the Partnership and shall be repaid out of distributable cash flow.

Repurchase. The General Partner shall repurchase the interest of the Limited Partner for an amount equal to the amount of NEFAC's Capital Contribution that has been funded plus $50,000 and all of the expenses incurred by NEF and NEFAC in conjunction with the transaction, if the Limited Partner so elects, upon the occurrence of certain major adverse events which will be described in detail in the Partnership Agreement, such as an event which threatens to deprive the Partnership or the Limited Partner of a substantial amount of the Projected Tax Credits or an action is commenced to foreclose, abandon, or permanently enjoin construction or rehabilitation of the Project.

The Guarantor will be required to execute a separate Guaranty Agreement whereby they will guaranty all of the above guaranty obligations of the General Partner and all of the General Partner's other obligations under the Limited Partnership Agreement.

9. Property Management

Appointment of the Management Agent must be approved by NEF. The Management Agent may be replaced from time to time by the General Partner provided that NEF approves the proposed replacement Management Agent in writing. The Management Agent shall initially earn a Property Management Fee no greater than 8% of the Project's gross collected rents. If the Management Agent is related to a General Partner, the payment of the Property Management Fee will be subordinated to the payment of operating deficits, if necessary, to maintain Breakeven Operations.

10. Asset Management Fee

The Partnership will pay from net cash flow to NEF or its designated affiliate an annual Asset Management Fee in the amount of $5,000, to be increased annually by three percent (3%).

11. Partnership Management Fee

The General Partner shall receive an annual Partnership Management Fee in the amount of $7,500, to be increased annually by three percent (3%).

12. Right of First Refusal

It is the express objective of NEF to identify and implement strategies to maintain projects permanently as low and moderate-income housing. As a qualified 501(c)(3) corporation, if the Project Sponsor agrees to maintain the property for low-income use, as defined in Section 42 of the Code, for a total period of at least 30 years, it will be granted a right of first refusal to purchase the Property at the end of the Tax Credit Compliance Period, for a price equal to the sum of: a) all outstanding Partnership debt, including General Partner and Limited Partner loans; b) any state, local or federal taxes owed by NEFAC as a result of the sale; and c) any unpaid portion of any Credit Adjuster payments due and owing to the Limited Partner.

13. Limited Partner Costs and Expenses

NEF will charge the Company $52,000 for legal fees and other closing costs inclusive of the NEF tax opinion.

14. Issues to be Resolved Prior to Investment Committee Review

A. Review of all tax credit documentation
C. Review of a Market Study and appraisal
D. Review of all financing commitments for the Project
E. Review of contractor and architect resume and experience
F. Review of the plans and specifications and construction cost breakdown
G. Review of property manager resume and experience
H. Review of Phase I Environmental Report
I. Review of Project operating expenses

15. Summary

This letter is based on assumptions and information, including estimates of Project costs, timing assumptions and debt financing, provided by the Sponsor. Any changes in these assumptions may result in changes to the terms and conditions, including purchase price, outlined in this letter.

We are delighted that you have chosen to work with NEF. If the terms and conditions of this letter are acceptable to you, please sign and return this letter to NEF. Should the Project receive an award of LIHTC from PHFA, both parties agree to make a good faith effort to close on the terms described herein. This proposal is valid for 15 business days from the date of this letter, unless countersigned by you. Please note that if this Project does not close within the time frame specified in this letter, NEF reserves the right to re-negotiate the terms and price of this offer. Upon receipt of this signed letter, an award of LIHTC, and receipt of all due diligence materials needed, NEF will take the Project to our Investment Review Committee for review and approval.

We wish you success in your application for Low Income Housing Tax Credits and look forward to working with you to provide needed affordable housing in your community.

Very truly yours,

NATIONAL EQUITY FUND, INC.

By: _____
Tony Lyons
Vice President and Regional Manager

The foregoing is hereby agreed to and confirmed.

Miami Redevelopment Partners, LLC

By: _____

National Equity Fund INC
an affiliate of LISC

July 7, 2015

Joe Chambers, President
Miami Redevelopment Partners, LLC
205 E. Central Blvd., Ste. 304
Orlando, FL 32801

RE: **Liberty Rising Phase 3**
1415 NW 63rd St.
Miami, Florida

Dear Mr. Chambers:

The National Equity Fund, Inc. ("NEF") is pleased to propose the terms and conditions, as set forth in this letter of interest, pursuant to which NEF, through its affiliate, NEF Assignment Corporation ("NEFAC"), will provide equity capital for the above described property. This letter is based on certain assumptions and information, including estimates of Project costs, timing assumptions and debt financing, provided by the Sponsor. Any changes in these assumptions or this information may result in changes to the terms and conditions, including the purchase price, outlined in this letter.

1. <u>Project Information</u>

The Liberty Rising Phase 3 project will involve the new construction of 204 affordable rental units for families in Miami, Florida.

NEF has analyzed the project's development budget and has based this offer on the assumption of a total development cost of approximately $45.49 million and an allocation of 2018 low income housing tax credits from the Florida Housing Finance Corporation ("FHFC"). Financing will include low-income housing tax credits, Miami-Dade County and Miami-Dade Public Housing and Community Development Department funding. The project will include 25 one-bedroom, 97 two-bedroom, 48 three-bedroom units, 23 four-bedroom units and 11 five-bedroom units. All units will receive public housing ACC and Section 8 project-based voucher operating subsidies. All units will be affordable to residents earning no more than 60% AMI.

NEF Assignment Corporation ("NEFAC") will act as nominee limited partner on behalf of one or more investor limited partnerships or limited liability companies of which NEF is the general partner or managing member. NEF will have the right to assign the beneficial portion of its limited partner or member interest to one or more investor limited partnerships or limited liability companies of its choosing.

2. Development Team

Developer:	A to-be-formed affiliate of Miami Redevelopment Partners, LLC
General Contractor:	TBD
Attorney:	Klein Hornig LLP

3. Timing Assumptions

This letter is based on the following timing assumptions:

Construction Start:	January 2018
Partnership Investment Closing:	January 2018
Placement in Service Date:	December 2018
100% Qualified Occupancy:	June 2019

If the timing assumptions set forth above are not met, the terms and conditions of this Letter of Interest, including the purchase price, will be subject to change.

4. Tax Credits

The Sponsor is applying to the FHFC for $2,561,000 of 9% low income housing tax credits. The requested credit amount is based on the Project having an adjusted eligible basis of $41,283,558, using a tax credit rate of 7.52% and a 130% basis boost. The total Tax Credits anticipated to be claimed by the Partnership are $25,610,000 of LIHTCs (the "Projected Tax Credits"). The Projected Tax Credits are expected to be available to the Partnership beginning in 2017.

5. Capital Contributions

NEFAC will purchase the above credits for a total purchase price (the "NEFAC Capital Contribution") of $28,168,183, or $1.10 cents for each $1.00 of LIHTCs. NEFAC shall make its capital contributions to the Partnership as described below:

	NEFAC Equity Amounts
Condition	Total Equity
NEF Closing / Closing	$2,816,818
25% Construction	$5,633,637
50% Construction	$5,633,637
75% Construction	$5,633,637
100% Construction Complete	$5,633,637
Stabilization/Conversion/8609	$2,816,818
Total	$28,168,183

Developer Fee Equity. The Project Sponsor, or whoever else is designated in the Development Agreement to receive such payment, shall be paid a development fee (the "Developer Fee") in the amount of $5,832,232. The Developer Fee shall be payable at the times and upon the conditions set forth in the Development Agreement. The Developer Fee will be paid to the Partnership out of the NEFAC Capital Contribution (the "Developer Fee Equity"), which will in turn pay the

Developer Fee Equity to the Project Sponsor pursuant to the Development Fee Agreement, on the above schedule.

Deferred Developer Fee. Any portion of the Developer Fee that is not paid out of Developer Fee Equity or other financing sources shall be paid as a deferred developer fee (the "Deferred Developer Fee") from Project cash flow or the proceeds of refinancing or sale of the Project.

6. Adjustment to Purchase Price (Credit Adjusters)

Permanent Reduction in LIHTCs. The NEFAC Capital Contribution to the Partnership shall be decreased if: (i) the receipt of the Project Cost Certification, or (ii) the receipt of the Form 8609 for the Project, the maximum Actual Tax Credits are less than the Projected Tax Credits. In such an event, the NEFAC Capital Contribution shall be reduced by $1.10 times the amount by which the Actual Tax Credits are less than the Projected Tax Credits.

Material Timing Difference – Tax Credits. In the event that LIHTCs are not available to NEFAC during the Projected First Tax Credit Year in the amount projected(the "First Year Projected Tax Credits"), the NEFAC Capital Contribution shall be reduced by an amount equal to (i) $1.10 times the amount by which the actual Tax Credits received by NEFAC during the Projected First Tax Credit Year is less than the First Year Projected Tax Credits; minus (ii) the net present value of the additional Tax Credits to be received by NEFAC in the 11th year of the Tax Credit Compliance Period, based upon a 10% discount rate.

Ongoing Credit Shortfall. If at any point in time after the end of the Projected First Tax Credit Year but before the end of the Tax Credit Compliance Period, the actual Tax Credits received by NEFAC are less than the Projected Tax Credits, or if there is recapture (as defined in Section 42 of the Code) of Tax Credit, then any remaining portion of the NEFAC Capital Contribution shall be reduced by one dollar for each dollar of reduction of the Projected Tax Credits or each dollar of Tax Credits that are recaptured (the "Credit Reduction Payment"), up to a maximum total amount equal to the total Developer Fee.

In the event the remaining unpaid portion of the Limited Partner's Capital Contribution obligation is insufficient for the Limited Partner to offset all amounts that are due and owing from the General Partner to the Limited Partners pursuant to the Credit Adjusters, or the Limited Partner elects not to offset the Credit Adjusters against the remaining Limited Partner Capital Contribution Installments, then the General Partner shall, upon demand, pay the Limited Partner any remaining amount that is due and owing to the Limited Partner.

7. Reserves

Operating Reserve. The General Partner shall establish an Operating Reserve which shall be funded from NEFAC's fourth installment of equity in the amount of $185,000 and thereafter the General Partner will be required to maintain this Operating Reserve balance from Project cash flow.

Replacement Reserve. Annual amount of $300 per unit per year (to be increased annually by three percent (3%) from project revenues. NEF's prior written consent will be required for any withdrawals greater than $5,000.

Revenue Deficit Reserve. $570,000, funded from the fourth installment of NEF's Capital Contributions. The Revenue Deficit Reserve is to be used only to fund Operating Deficits.

Upon further underwriting, NEF may determine a different amount required for the Internal Rent

Reserve to fund Operating Deficits projected to occur if the rental subsidy for the project is either not renewed past its initial term or reduced. The Internal Reserve Account will be held pursuant to a Funding and Disbursement Agreement entered into between the Limited Partnership, the General Partner and NEF.

Tax and Insurance Escrow Account. $300,000, funded from the fourth installment of NEF's Capital Contributions, to be used to fund first year tax and insurance expenses.

8. General Partner Guaranties

Development Completion Guaranty. The General Partner and Guarantors will provide the Partnership with a Development Completion Guaranty. This guaranty obligation will become effective at the time of execution of the Partnership Agreement and will continue until the later of (i) 1 year after completion of construction, to cover the General Partner's latent defects obligation, or (ii) achievement of Breakeven Operations, to cover the General Partner's obligation to fund Project operating deficits. Payments made under the guaranty will be considered General Partner loans to the Partnership at 0% interest, repayable from cash flow.

Operating Deficit Guaranty. The General Partner and Guarantors will provide an Operating Deficit Guaranty in an amount equivalent to six months of operating expenses and reserves, which guaranty will commence upon achievement of Breakeven Operations and remain in place until the later of (i) five years from achievement of Breakeven Operations, or (ii) until the Project has maintained a 1.15 debt service coverage ratio for at least 36 consecutive months, including the last month of such period. This guaranty obligation will be used to fund or pay operating deficits incurred by the Partnership and current liabilities of the Partnership upon the depletion of the funds in the Partnership Operating Reserve. Amounts expended to satisfy this obligation shall be treated as non-interest bearing loans to the Partnership and shall be repaid out of distributable cash flow.

Repurchase. The General Partner shall repurchase the interest of the Limited Partner for an amount equal to the amount of NEFAC's Capital Contribution that has been funded plus $50,000 and all of the expenses incurred by NEF and NEFAC in conjunction with the transaction, if the Limited Partner so elects, upon the occurrence of certain major adverse events which will be described in detail in the Partnership Agreement, such as an event which threatens to deprive the Partnership or the Limited Partner of a substantial amount of the Projected Tax Credits or an action is commenced to foreclose, abandon, or permanently enjoin construction or rehabilitation of the Project.

The Guarantor will be required to execute a separate Guaranty Agreement whereby they will guaranty all of the above guaranty obligations of the General Partner and all of the General Partner's other obligations under the Limited Partnership Agreement.

9. Property Management

Appointment of the Management Agent must be approved by NEF. The Management Agent may be replaced from time to time by the General Partner provided that NEF approves the proposed replacement Management Agent in writing. The Management Agent shall initially earn a Property Management Fee no greater than 8% of the Project's gross collected rents. If the Management Agent is related to a General Partner, the payment of the Property Management Fee will be subordinated to the payment of operating deficits, if necessary, to maintain Breakeven Operations.

10. Asset Management Fee

The Partnership will pay from net cash flow to NEF or its designated affiliate an annual Asset Management Fee in the amount of $5,000, to be increased annually by three percent (3%).

11. Partnership Management Fee

The General Partner shall receive an annual Partnership Management Fee in the amount of $7,500, to be increased annually by three percent (3%).

12. Right of First Refusal

It is the express objective of NEF to identify and implement strategies to maintain projects permanently as low and moderate-income housing. As a qualified 501(c)(3) corporation, if the Project Sponsor agrees to maintain the property for low-income use, as defined in Section 42 of the Code, for a total period of at least 30 years, it will be granted a right of first refusal to purchase the Property at the end of the Tax Credit Compliance Period, for a price equal to the sum of: a) all outstanding Partnership debt, including General Partner and Limited Partner loans; b) any state, local or federal taxes owed by NEFAC as a result of the sale; and c) any unpaid portion of any Credit Adjuster payments due and owing to the Limited Partner.

13. Limited Partner Costs and Expenses

NEF will charge the Company $52,000 for legal fees and other closing costs inclusive of the NEF tax opinion.

14. Issues to be Resolved Prior to Investment Committee Review

A. Review of all tax credit documentation
C. Review of a Market Study and appraisal
D. Review of all financing commitments for the Project
E. Review of contractor and architect resume and experience
F. Review of the plans and specifications and construction cost breakdown
G. Review of property manager resume and experience
H. Review of Phase I Environmental Report
I. Review of Project operating expenses

15. Summary

This letter is based on assumptions and information, including estimates of Project costs, timing assumptions and debt financing, provided by the Sponsor. Any changes in these assumptions may result in changes to the terms and conditions, including purchase price, outlined in this letter.

We are delighted that you have chosen to work with NEF. If the terms and conditions of this letter are acceptable to you, please sign and return this letter to NEF. Should the Project receive an award of LIHTC from FHFC, both parties agree to make a good faith effort to close on the terms described herein. This proposal is valid for 15 business days from the date of this letter, unless countersigned by you. Please note that if this Project does not close within the time frame specified in this letter, NEF reserves the right to re-negotiate the terms and price of this offer. Upon receipt of this signed letter, an award of LIHTC, and receipt of all due diligence materials needed, NEF will take the Project to our Investment Review Committee for review and approval.

We wish you success in your application for Low Income Housing Tax Credits and look forward to working with you to provide needed affordable housing in your community.

Very truly yours,

NATIONAL EQUITY FUND, INC.

By: _____
Tony Lyons
Vice President and Regional Manager

The foregoing is hereby agreed to and confirmed.

Miami Redevelopment Partners, LLC

By: _____

National Equity Fund, INC
an affiliate of LISC

July 7, 2015

Joe Chambers, President
Miami Redevelopment Partners, LLC
205 E. Central Blvd., Ste. 304
Orlando, FL 32801

RE: **Liberty Rising Phase 4**
1415 NW 63rd St.
Miami, Florida

Dear Mr. Chambers:

The National Equity Fund, Inc. ("NEF") is pleased to propose the terms and conditions, as set forth in this letter of interest, pursuant to which NEF, through its affiliate, NEF Assignment Corporation ("NEFAC"), will provide equity capital for the above described property. This letter is based on certain assumptions and information, including estimates of Project costs, timing assumptions and debt financing, provided by the Sponsor. Any changes in these assumptions or this information may result in changes to the terms and conditions, including the purchase price, outlined in this letter.

1. <u>Project Information</u>

The Liberty Rising Phase 4 project will involve the new construction of 186 affordable rental units for families in Miami, Florida.

NEF has analyzed the project's development budget and has based this offer on the assumption of a total development cost of approximately $41.79 million and an allocation of 2019 low income housing tax credits from the Florida Housing Finance Corporation ("FHFC"). Financing will include low-income housing tax credits, Miami-Dade County and Miami-Dade Public Housing and Community Development Department funding. The project will include 23 one-bedroom, 89 two-bedroom, 44 three-bedroom units, 21 four-bedroom units and 9 five-bedroom units. All units will receive public housing ACC and Section 8 project-based voucher operating subsidies. All units will be affordable to residents earning no more than 60% AMI.

NEF Assignment Corporation ("NEFAC") will act as nominee limited partner on behalf of one or more investor limited partnerships or limited liability companies of which NEF is the general partner or managing member. NEF will have the right to assign the beneficial portion of its limited partner or member interest to one or more investor limited partnerships or limited liability companies of its choosing.

2. Development Team

Developer:	A to-be-formed affiliate of Miami Redevelopment Partners, LLC
General Contractor:	TBD
Attorney:	Klein Hornig LLP

3. Timing Assumptions

This letter is based on the following timing assumptions:

Construction Start:	January 2019
Partnership Investment Closing:	January 2019
Placement in Service Date:	December 2019
100% Qualified Occupancy:	June 2020

If the timing assumptions set forth above are not met, the terms and conditions of this Letter of Interest, including the purchase price, will be subject to change.

4. Tax Credits

The Sponsor is applying to the FHFC for $2,561,000 of 9% low income housing tax credits. The requested credit amount is based on the Project having an adjusted eligible basis of $37,830,105, using a tax credit rate of 7.52% and a 130% basis boost. The total Tax Credits anticipated to be claimed by the Partnership are $25,610,000 of LIHTCs (the "Projected Tax Credits"). The Projected Tax Credits are expected to be available to the Partnership beginning in 2017.

5. Capital Contributions

NEFAC will purchase the above credits for a total purchase price (the "NEFAC Capital Contribution") of $28,168,183, or $1.10 cents for each $1.00 of LIHTCs. NEFAC shall make its capital contributions to the Partnership as described below:

	NEFAC Equity Amounts
Condition	Total Equity
NEF Closing / Closing	$2,816,818
25% Construction	$5,633,637
50% Construction	$5,633,637
75% Construction	$5,633,637
100% Construction Complete	$5,633,637
Stabilization/Conversion/8609	$2,816,818
Total	$28,168,183

Developer Fee Equity. The Project Sponsor, or whoever else is designated in the Development Agreement to receive such payment, shall be paid a development fee (the "Developer Fee") in the amount of $5,358,853. The Developer Fee shall be payable at the times and upon the conditions set forth in the Development Agreement. The Developer Fee will be paid to the Partnership out of the NEFAC Capital Contribution (the "Developer Fee Equity"), which will in turn pay the

Developer Fee Equity to the Project Sponsor pursuant to the Development Fee Agreement, on the above schedule.

Deferred Developer Fee. Any portion of the Developer Fee that is not paid out of Developer Fee Equity or other financing sources shall be paid as a deferred developer fee (the "Deferred Developer Fee") from Project cash flow or the proceeds of refinancing or sale of the Project.

6. Adjustment to Purchase Price (Credit Adjusters).

Permanent Reduction in LIHTCs. The NEFAC Capital Contribution to the Partnership shall be decreased if: (i) the receipt of the Project Cost Certification, or (ii) the receipt of the Form 8609 for the Project, the maximum Actual Tax Credits are less than the Projected Tax Credits. In such an event, the NEFAC Capital Contribution shall be reduced by $1.10 times the amount by which the Actual Tax Credits are less than the Projected Tax Credits.

Material Timing Difference – Tax Credits. In the event that LIHTCs are not available to NEFAC during the Projected First Tax Credit Year in the amount projected(the "First Year Projected Tax Credits"), the NEFAC Capital Contribution shall be reduced by an amount equal to (i) $1.10 times the amount by which the actual Tax Credits received by NEFAC during the Projected First Tax Credit Year is less than the First Year Projected Tax Credits; minus (ii) the net present value of the additional Tax Credits to be received by NEFAC in the 11th year of the Tax Credit Compliance Period, based upon a 10% discount rate.

Ongoing Credit Shortfall. If at any point in time after the end of the Projected First Tax Credit Year but before the end of the Tax Credit Compliance Period, the actual Tax Credits received by NEFAC are less than the Projected Tax Credits, or if there is recapture (as defined in Section 42 of the Code) of Tax Credit, then any remaining portion of the NEFAC Capital Contribution shall be reduced by one dollar for each dollar of reduction of the Projected Tax Credits or each dollar of Tax Credits that are recaptured (the "Credit Reduction Payment"), up to a maximum total amount equal to the total Developer Fee.

In the event the remaining unpaid portion of the Limited Partner's Capital Contribution obligation is insufficient for the Limited Partner to offset all amounts that are due and owing from the General Partner to the Limited Partners pursuant to the Credit Adjusters, or the Limited Partner elects not to offset the Credit Adjusters against the remaining Limited Partner Capital Contribution Installments, then the General Partner shall, upon demand, pay the Limited Partner any remaining amount that is due and owing to the Limited Partner.

7. Reserves.

Operating Reserve. The General Partner shall establish an Operating Reserve which shall be funded from NEFAC's sixth installment of equity in the amount of $185,000 and thereafter the General Partner will be required to maintain this Operating Reserve balance from Project cash flow.

Replacement Reserve. Annual amount of $300 per unit per year (to be increased annually by three percent (3%) from project revenues. NEF's prior written consent will be required for any withdrawals greater than $5,000.

Revenue Deficit Reserve. $520,000, funded from the sixth installment of NEF's Capital Contributions. The Revenue Deficit Reserve is to be used only to fund Operating Deficits.

Upon further underwriting, NEF may determine a different amount required for the Internal Rent

Reserve to fund Operating Deficits projected to occur if the rental subsidy for the project is either not renewed past its initial term or reduced. The Internal Reserve Account will be held pursuant to a Funding and Disbursement Agreement entered into between the Limited Partnership, the General Partner and NEF.

Tax and Insurance Escrow Account. $300,000, funded from the sixth installment of NEF's Capital Contributions, to be used to fund first year tax and insurance expenses.

8. General Partner Guaranties.

Development Completion Guaranty. The General Partner and Guarantors will provide the Partnership with a Development Completion Guaranty. This guaranty obligation will become effective at the time of execution of the Partnership Agreement and will continue until the later of (i) 1 year after completion of construction, to cover the General Partner's latent defects obligation, or (ii) achievement of Breakeven Operations, to cover the General Partner's obligation to fund Project operating deficits. Payments made under the guaranty will be considered General Partner loans to the Partnership at 0% interest, repayable from cash flow.

Operating Deficit Guaranty. The General Partner and Guarantors will provide an Operating Deficit Guaranty in an amount equivalent to six months of operating expenses and reserves, which guaranty will commence upon achievement of Breakeven Operations and remain in place until the later of (i) five years from achievement of Breakeven Operations, or (ii) until the Project has maintained a 1.15 debt service coverage ratio for at least 36 consecutive months, including the last month of such period. This guaranty obligation will be used to fund or pay operating deficits incurred by the Partnership and current liabilities of the Partnership upon the depletion of the funds in the Partnership Operating Reserve. Amounts expended to satisfy this obligation shall be treated as non-interest bearing loans to the Partnership and shall be repaid out of distributable cash flow.

Repurchase. The General Partner shall repurchase the interest of the Limited Partner for an amount equal to the amount of NEFAC's Capital Contribution that has been funded plus $50,000 and all of the expenses incurred by NEF and NEFAC in conjunction with the transaction, if the Limited Partner so elects, upon the occurrence of certain major adverse events which will be described in detail in the Partnership Agreement, such as an event which threatens to deprive the Partnership or the Limited Partner of a substantial amount of the Projected Tax Credits or an action is commenced to foreclose, abandon, or permanently enjoin construction or rehabilitation of the Project.

The Guarantor will be required to execute a separate Guaranty Agreement whereby they will guaranty all of the above guaranty obligations of the General Partner and all of the General Partner's other obligations under the Limited Partnership Agreement.

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Appointment of the Management Agent must be approved by NEF. The Management Agent may be replaced from time to time by the General Partner provided that NEF approves the proposed replacement Management Agent in writing. The Management Agent shall initially earn a Property Management Fee no greater than 8% of the Project's gross collected rents. If the Management Agent is related to a General Partner, the payment of the Property Management Fee will be subordinated to the payment of operating deficits, if necessary, to maintain Breakeven Operations.

10. Asset Management Fee.

The Partnership will pay from net cash flow to NEF or its designated affiliate an annual Asset Management Fee in the amount of $5,000, to be increased annually by three percent (3%).

11. Partnership Management Fee.

The General Partner shall receive an annual Partnership Management Fee in the amount of $7,500, to be increased annually by three percent (3%).

12. Right of First Refusal.

It is the express objective of NEF to identify and implement strategies to maintain projects permanently as low and moderate-income housing. As a qualified 501(c)(3) corporation, if the Project Sponsor agrees to maintain the property for low-income use, as defined in Section 42 of the Code, for a total period of at least 30 years, it will be granted a right of first refusal to purchase the Property at the end of the Tax Credit Compliance Period, for a price equal to the sum of: a) all outstanding Partnership debt, including General Partner and Limited Partner loans; b) any state, local or federal taxes owed by NEFAC as a result of the sale; and c) any unpaid portion of any Credit Adjuster payments due and owing to the Limited Partner.

13. Limited Partner Costs and Expenses.

NEF will charge the Company $52,000 for legal fees and other closing costs inclusive of the NEF tax opinion.

15. Issues to be Resolved Prior to Investment Committee Review.

A. Review of all tax credit documentation
C. Review of a Market Study and appraisal
D. Review of all financing commitments for the Project
E. Review of contractor and architect resume and experience
F. Review of the plans and specifications and construction cost breakdown
G. Review of property manager resume and experience
H. Review of Phase I Environmental Report
I. Review of Project operating expenses

16. Summary.

This letter is based on assumptions and information, including estimates of Project costs, timing assumptions and debt financing, provided by the Sponsor. Any changes in these assumptions may result in changes to the terms and conditions, including purchase price, outlined in this letter.

We are delighted that you have chosen to work with NEF. If the terms and conditions of this letter are acceptable to you, please sign and return this letter to NEF. Should the Project receive an award of LIHTC from FHFC, both parties agree to make a good faith effort to close on the terms described herein. This proposal is valid for 15 business days from the date of this letter, unless countersigned by you. Please note that if this Project does not close within the time frame specified in this letter, NEF reserves the right to re-negotiate the terms and price of this offer.

Upon receipt of this signed letter, an award of LIHTC, and receipt of all due diligence materials needed, NEF will take the Project to our Investment Review Committee for review and approval.

We wish you success in your application for Low Income Housing Tax Credits and look forward to working with you to provide needed affordable housing in your community.

Very truly yours,

NATIONAL EQUITY FUND, INC.

By: _____
Tony Lyons
Vice President and Regional Manager

The foregoing is hereby agreed to and confirmed.

Miami Redevelopment Partners, LLC

By: _____

National Equity Fund, INC
an affiliate of LISC

July 8, 2015

Joe Chambers, President
Miami Redevelopment Partners, LLC
205 E. Central Blvd., Ste. 304
Orlando, FL 32801

RE: **Liberty Rising Phase 4**
1415 NW 63rd St.
Miami, Florida

Dear Mr. Chambers:

The National Equity Fund, Inc. ("NEF") is pleased to propose the terms and conditions, as set forth in this letter of interest, pursuant to which NEF, through its affiliate, NEF Assignment Corporation ("NEFAC"), will provide equity capital for the above described property. This letter is based on certain assumptions and information, including estimates of Project costs, timing assumptions and debt financing, provided by the Sponsor. Any changes in these assumptions or this information may result in changes to the terms and conditions, including the purchase price, outlined in this letter.

1. <u>Project Information</u>

The Liberty Rising Phase 4 project will involve the new construction of 186 affordable rental units for families in Miami, Florida.

NEF has analyzed the project's development budget and has based this offer on the assumption of a total development cost of approximately $45 million and an allocation of 2019 low income housing tax credits from the Florida Housing Finance Corporation ("FHFC"). Financing will include low-income housing tax credits, Miami-Dade County and Miami-Dade Public Housing and Community Development Department funding. The project will include 23 one-bedroom, 89 two-bedroom, 44 three-bedroom units, 21 four-bedroom units and 9 five-bedroom units. 115 units will receive public housing ACC and Section 8 project-based voucher operating subsidies. All units will be affordable to residents earning no more than 60% AMI.

NEF Assignment Corporation ("NEFAC") will act as nominee limited partner on behalf of one or more investor limited partnerships or limited liability companies of which NEF is the general partner or managing member. NEF will have the right to assign the beneficial portion of its limited partner or member interest to one or more investor limited partnerships or limited liability companies of its choosing.

2. Development Team

Developer:	A to-be-formed affiliate of Miami Redevelopment Partners, LLC
General Contractor:	TBD
Attorney:	Klein Hornig LLP

3. Timing Assumptions

This letter is based on the following timing assumptions:

Construction Start:	January 2019
Partnership Investment Closing:	January 2019
Placement in Service Date:	December 2019
100% Qualified Occupancy:	June 2020

If the timing assumptions set forth above are not met, the terms and conditions of this Letter of Interest, including the purchase price, will be subject to change.

4. Tax Credits

The Sponsor is applying to the FHFC for $1,646,599 of 4% low income housing tax credits. The requested credit amount is based on the Project having an adjusted eligible basis of 39,435,217, using a tax credit rate of 3.22% and a 130% basis boost. The total Tax Credits anticipated to be claimed by the Partnership are $16,465,988 of LIHTCs (the "Projected Tax Credits"). The Projected Tax Credits are expected to be available to the Partnership beginning in 2019.

5. Capital Contributions

NEFAC will purchase the above credits for a total purchase price (the "NEFAC Capital Contribution") of $18,110,767, or $1.10 cents for each $1.00 of LIHTCs. NEFAC shall make its capital contributions to the Partnership as described below:

NEFAC Equity Amounts

Condition	Total Equity
NEF Closing / Closing	$2,724,525
25% Construction	$2,564,215
50% Construction	$2,564,215
75% Construction	$2,564,215
100% Construction Complete	$4,773,303
Stabilization/Conversion/8609	$2,920,294
Total	$18,110,767

Developer Fee Equity. The Project Sponsor, or whoever else is designated in the Development Agreement to receive such payment, shall be paid a development fee (the "Developer Fee") in the amount of $6,766,989. The Developer Fee shall be payable at the times and upon the conditions set forth in the Development Agreement. The Developer Fee will be paid to the Partnership out of the NEFAC Capital Contribution (the "Developer Fee Equity"), which will in turn pay the

Developer Fee Equity to the Project Sponsor pursuant to the Development Fee Agreement, on the above schedule.

Deferred Developer Fee. Any portion of the Developer Fee that is not paid out of Developer Fee Equity or other financing sources shall be paid as a deferred developer fee (the "Deferred Developer Fee") from Project cash flow or the proceeds of refinancing or sale of the Project.

6. Adjustment to Purchase Price (Credit Adjusters).

Permanent Reduction in LIHTCs. The NEFAC Capital Contribution to the Partnership shall be decreased if: (i) the receipt of the Project Cost Certification, or (ii) the receipt of the Form 8609 for the Project, the maximum Actual Tax Credits are less than the Projected Tax Credits. In such an event, the NEFAC Capital Contribution shall be reduced by $1.10 times the amount by which the Actual Tax Credits are less than the Projected Tax Credits.

Material Timing Difference – Tax Credits. In the event that LIHTCs are not available to NEFAC during the Projected First Tax Credit Year in the amount projected(the "First Year Projected Tax Credits"), the NEFAC Capital Contribution shall be reduced by an amount equal to (i) $1.10 times the amount by which the actual Tax Credits received by NEFAC during the Projected First Tax Credit Year is less than the First Year Projected Tax Credits; minus (ii) the net present value of the additional Tax Credits to be received by NEFAC in the 11th year of the Tax Credit Compliance Period, based upon a 10% discount rate.

Ongoing Credit Shortfall. If at any point in time after the end of the Projected First Tax Credit Year but before the end of the Tax Credit Compliance Period, the actual Tax Credits received by NEFAC are less than the Projected Tax Credits, or if there is recapture (as defined in Section 42 of the Code) of Tax Credit, then any remaining portion of the NEFAC Capital Contribution shall be reduced by one dollar for each dollar of reduction of the Projected Tax Credits or each dollar of Tax Credits that are recaptured (the "Credit Reduction Payment"), up to a maximum total amount equal to the total Developer Fee.

In the event the remaining unpaid portion of the Limited Partner's Capital Contribution obligation is insufficient for the Limited Partner to offset all amounts that are due and owing from the General Partner to the Limited Partners pursuant to the Credit Adjusters, or the Limited Partner elects not to offset the Credit Adjusters against the remaining Limited Partner Capital Contribution Installments, then the General Partner shall, upon demand, pay the Limited Partner any remaining amount that is due and owing to the Limited Partner.

7. Reserves.

Operating Reserve. The General Partner shall establish an Operating Reserve which shall be funded from NEFAC's sixth installment of equity in the amount of $186,000 and thereafter the General Partner will be required to maintain this Operating Reserve balance from Project cash flow.

Replacement Reserve. Annual amount of $300 per unit per year (to be increased annually by three percent (3%) from project revenues. NEF's prior written consent will be required for any withdrawals greater than $5,000.

Revenue Deficit Reserve. $530,000, funded from the sixth installment of NEF's Capital Contributions. The Internal Rent Reserve is to be used only to fund Operating Deficits projected to occur due to the lower rents for the 20% AMI units.

Upon further underwriting, NEF may determine a different amount required for the Internal Rent Reserve to fund Operating Deficits projected to occur if the rental subsidy for the project is either not renewed past its initial term or reduced. The Internal Reserve Account will be held pursuant to a Funding and Disbursement Agreement entered into between the Limited Partnership, the General Partner and NEF.

Tax and Insurance Escrow Account. $300,000, funded from the fourth installment of NEF's Capital Contributions, to be used to fund first year tax and insurance expenses.

8. General Partner Guaranties.

Development Completion Guaranty. The General Partner and Guarantors will provide the Partnership with a Development Completion Guaranty. This guaranty obligation will become effective at the time of execution of the Partnership Agreement and will continue until the later of (i) 1 year after completion of construction, to cover the General Partner's latent defects obligation, or (ii) achievement of Breakeven Operations, to cover the General Partner's obligation to fund Project operating deficits. Payments made under the guaranty will be considered General Partner loans to the Partnership at 0% interest, repayable from cash flow.

Operating Deficit Guaranty. The General Partner and Guarantors will provide an Operating Deficit Guaranty in an amount equivalent to six months of operating expenses and reserves, which guaranty will commence upon achievement of Breakeven Operations and remain in place until the later of (i) five years from achievement of Breakeven Operations, or (ii) until the Project has maintained a 1.15 debt service coverage ratio for at least 36 consecutive months, including the last month of such period. This guaranty obligation will be used to fund or pay operating deficits incurred by the Partnership and current liabilities of the Partnership upon the depletion of the funds in the Partnership Operating Reserve. Amounts expended to satisfy this obligation shall be treated as non-interest bearing loans to the Partnership and shall be repaid out of distributable cash flow.

Repurchase. The General Partner shall repurchase the interest of the Limited Partner for an amount equal to the amount of NEFAC's Capital Contribution that has been funded plus $50,000 and all of the expenses incurred by NEF and NEFAC in conjunction with the transaction, if the Limited Partner so elects, upon the occurrence of certain major adverse events which will be described in detail in the Partnership Agreement, such as an event which threatens to deprive the Partnership or the Limited Partner of a substantial amount of the Projected Tax Credits or an action is commenced to foreclose, abandon, or permanently enjoin construction or rehabilitation of the Project.

The Guarantor will be required to execute a separate Guaranty Agreement whereby they will guaranty all of the above guaranty obligations of the General Partner and all of the General Partner's other obligations under the Limited Partnership Agreement.

9. Property Management.

Appointment of the Management Agent must be approved by NEF. The Management Agent may be replaced from time to time by the General Partner provided that NEF approves the proposed replacement Management Agent in writing. The Management Agent shall initially earn a Property Management Fee no greater than 8% of the Project's gross collected rents. If the Management Agent is related to a General Partner, the payment of the Property Management Fee will be subordinated to the payment of operating deficits, if necessary, to maintain Breakeven Operations.

10. Asset Management Fee.

The Partnership will pay from net cash flow to NEF or its designated affiliate an annual Asset Management Fee in the amount of $5,000, to be increased annually by three percent (3%).

11. Partnership Management Fee.

The General Partner shall receive an annual Partnership Management Fee in the amount of $7,500, to be increased annually by three percent (3%).

12. Right of First Refusal.

It is the express objective of NEF to identify and implement strategies to maintain projects permanently as low and moderate-income housing. As a qualified 501(c)(3) corporation, if the Project Sponsor agrees to maintain the property for low-income use, as defined in Section 42 of the Code, for a total period of at least 30 years, it will be granted a right of first refusal to purchase the Property at the end of the Tax Credit Compliance Period, for a price equal to the sum of: a) all outstanding Partnership debt, including General Partner and Limited Partner loans; b) any state, local or federal taxes owed by NEFAC as a result of the sale; and c) any unpaid portion of any Credit Adjuster payments due and owing to the Limited Partner.

13. Limited Partner Costs and Expenses.

NEF will charge the Company $52,000 for legal fees and other closing costs inclusive of the NEF tax opinion.

15. Issues to be Resolved Prior to Investment Committee Review.

A. Review of all tax credit documentation
C. Review of a Market Study and appraisal
D. Review of all financing commitments for the Project
E. Review of contractor and architect resume and experience
F. Review of the plans and specifications and construction cost breakdown
G. Review of property manager resume and experience
H. Review of Phase I Environmental Report
I. Review of Project operating expenses

16. Summary.

This letter is based on assumptions and information, including estimates of Project costs, timing assumptions and debt financing, provided by the Sponsor. Any changes in these assumptions may result in changes to the terms and conditions, including purchase price, outlined in this letter.

We are delighted that you have chosen to work with NEF. If the terms and conditions of this letter are acceptable to you, please sign and return this letter to NEF. Should the Project receive an award of LIHTC from PHFA, both parties agree to make a good faith effort to close on the terms described herein. This proposal is valid for 15 business days from the date of this letter, unless countersigned by you. Please note that if this Project does not close within the time frame specified in this letter, NEF reserves the right to re-negotiate the terms and price of this offer.

Upon receipt of this signed letter, an award of LIHTC, and receipt of all due diligence materials needed, NEF will take the Project to our Investment Review Committee for review and approval.

We wish you success in your application for Low Income Housing Tax Credits and look forward to working with you to provide needed affordable housing in your community.

Very truly yours,

NATIONAL EQUITY FUND, INC.

By: _____
Tony Lyons
Vice President and Regional Manager

The foregoing is hereby agreed to and confirmed.

Miami Redevelopment Partners, LLC

By: _____

National Equity Fund, INC
an affiliate of LISC

July 8, 2015

Joe Chambers, President
Miami Redevelopment Partners, LLC
205 E. Central Blvd., Ste. 304
Orlando, FL 32801

RE: **Liberty Rising Phase 5**
1415 NW 63rd St.
Miami, Florida

Dear Mr. Chambers:

The National Equity Fund, Inc. ("NEF") is pleased to propose the terms and conditions, as set forth in this letter of interest, pursuant to which NEF, through its affiliate, NEF Assignment Corporation ("NEFAC"), will provide equity capital for the above described property. This letter is based on certain assumptions and information, including estimates of Project costs, timing assumptions and debt financing, provided by the Sponsor. Any changes in these assumptions or this information may result in changes to the terms and conditions, including the purchase price, outlined in this letter.

1. <u>Project Information</u>

The Liberty Rising Phase 5 project will involve the new construction of 186 affordable rental units for families in Miami, Florida.

NEF has analyzed the project's development budget and has based this offer on the assumption of a total development cost of approximately $45 million and an allocation of 2020 low income housing tax credits from the Florida Housing Finance Corporation ("FHFC"). Financing will include low-income housing tax credits, Miami-Dade County and Miami-Dade Public Housing and Community Development Department funding. The project will include 23 one-bedroom, 89 two-bedroom, 44 three-bedroom units, 21 four-bedroom units and 9 five-bedroom units. All units will receive public housing ACC and Section 8 project-based voucher operating subsidies. All units will be affordable to residents earning no more than 60% AMI.

NEF Assignment Corporation ("NEFAC") will act as nominee limited partner on behalf of one or more investor limited partnerships or limited liability companies of which NEF is the general partner or managing member. NEF will have the right to assign the beneficial portion of its limited partner or member interest to one or more investor limited partnerships or limited liability companies of its choosing.

2. Development Team

Developer:	A to-be-formed affiliate of Miami Redevelopment Partners, LLC
General Contractor:	TBD
Attorney:	Klein Hornig LLP

3. Timing Assumptions

This letter is based on the following timing assumptions:

Construction Start:	January 2020
Partnership Investment Closing:	January 2020
Placement in Service Date:	December 2020
100% Qualified Occupancy:	June 2021

If the timing assumptions set forth above are not met, the terms and conditions of this Letter of Interest, including the purchase price, will be subject to change.

4. Tax Credits

The Sponsor is applying to the FHFC for $1,646,599 of 4% low income housing tax credits. The requested credit amount is based on the Project having an adjusted eligible basis of $39,435,259, using a tax credit rate of 7.52% and a 130% basis boost. The total Tax Credits anticipated to be claimed by the Partnership are $16,465,988 of LIHTCs (the "Projected Tax Credits"). The Projected Tax Credits are expected to be available to the Partnership beginning in 2020.

5. Capital Contributions

NEFAC will purchase the above credits for a total purchase price (the "NEFAC Capital Contribution") of $18,110,767, or $1.10 cents for each $1.00 of LIHTCs. NEFAC shall make its capital contributions to the Partnership as described below:

NEFAC Equity Amounts

Condition	Total Equity
NEF Closing / Closing	$2,724,427
25% Construction	$2,564,215
50% Construction	$2,564,215
75% Construction	$2,564,215
100% Construction Complete	$3,757,270
Stabilization/Conversion/8609	$3,936,425
Total	$18,110,767

Developer Fee Equity. The Project Sponsor, or whoever else is designated in the Development Agreement to receive such payment, shall be paid a development fee (the "Developer Fee") in the amount of $6,766,989. The Developer Fee shall be payable at the times and upon the conditions set forth in the Development Agreement. The Developer Fee will be paid to the Partnership out of the NEFAC Capital Contribution (the "Developer Fee Equity"), which will in turn pay the

Developer Fee Equity to the Project Sponsor pursuant to the Development Fee Agreement, on the above schedule.

Deferred Developer Fee. Any portion of the Developer Fee that is not paid out of Developer Fee Equity or other financing sources shall be paid as a deferred developer fee (the "Deferred Developer Fee") from Project cash flow or the proceeds of refinancing or sale of the Project.

6. Adjustment to Purchase Price (Credit Adjusters).

Permanent Reduction in LIHTCs. The NEFAC Capital Contribution to the Partnership shall be decreased if: (i) the receipt of the Project Cost Certification, or (ii) the receipt of the Form 8609 for the Project, the maximum Actual Tax Credits are less than the Projected Tax Credits. In such an event, the NEFAC Capital Contribution shall be reduced by $1.10 times the amount by which the Actual Tax Credits are less than the Projected Tax Credits.

Material Timing Difference – Tax Credits. In the event that LIHTCs are not available to NEFAC during the Projected First Tax Credit Year in the amount projected(the "First Year Projected Tax Credits"), the NEFAC Capital Contribution shall be reduced by an amount equal to (i) $1.10 times the amount by which the actual Tax Credits received by NEFAC during the Projected First Tax Credit Year is less than the First Year Projected Tax Credits; minus (ii) the net present value of the additional Tax Credits to be received by NEFAC in the 11th year of the Tax Credit Compliance Period, based upon a 10% discount rate.

Ongoing Credit Shortfall. If at any point in time after the end of the Projected First Tax Credit Year but before the end of the Tax Credit Compliance Period, the actual Tax Credits received by NEFAC are less than the Projected Tax Credits, or if there is recapture (as defined in Section 42 of the Code) of Tax Credit, then any remaining portion of the NEFAC Capital Contribution shall be reduced by one dollar for each dollar of reduction of the Projected Tax Credits or each dollar of Tax Credits that are recaptured (the "Credit Reduction Payment"), up to a maximum total amount equal to the total Developer Fee.

In the event the remaining unpaid portion of the Limited Partner's Capital Contribution obligation is insufficient for the Limited Partner to offset all amounts that are due and owing from the General Partner to the Limited Partners pursuant to the Credit Adjusters, or the Limited Partner elects not to offset the Credit Adjusters against the remaining Limited Partner Capital Contribution Installments, then the General Partner shall, upon demand, pay the Limited Partner any remaining amount that is due and owing to the Limited Partner.

7. Reserves.

Operating Reserve. The General Partner shall establish an Operating Reserve which shall be funded from NEFAC's sixth installment of equity in the amount of $186,000 and thereafter the General Partner will be required to maintain this Operating Reserve balance from Project cash flow.

Replacement Reserve. Annual amount of $300 per unit per year (to be increased annually by three percent (3%) from project revenues. NEF's prior written consent will be required for any withdrawals greater than $5,000.

Revenue Deficit Reserve. $530,000, funded from the sixth installment of NEF's Capital Contributions. The Revenue Deficit Reserve is to be used only to fund Operating Deficits.

Upon further underwriting, NEF may determine a different amount required for the Internal Rent

Reserve to fund Operating Deficits projected to occur if the rental subsidy for the project is either not renewed past its initial term or reduced. The Internal Reserve Account will be held pursuant to a Funding and Disbursement Agreement entered into between the Limited Partnership, the General Partner and NEF.

Tax and Insurance Escrow Account. $300,000, funded from the sixth installment of NEF's Capital Contributions, to be used to fund first year tax and insurance expenses.

8. General Partner Guaranties.

Development Completion Guaranty. The General Partner and Guarantors will provide the Partnership with a Development Completion Guaranty. This guaranty obligation will become effective at the time of execution of the Partnership Agreement and will continue until the later of (i) 1 year after completion of construction, to cover the General Partner's latent defects obligation, or (ii) achievement of Breakeven Operations, to cover the General Partner's obligation to fund Project operating deficits. Payments made under the guaranty will be considered General Partner loans to the Partnership at 0% interest, repayable from cash flow.

Operating Deficit Guaranty. The General Partner and Guarantors will provide an Operating Deficit Guaranty in an amount equivalent to six months of operating expenses and reserves, which guaranty will commence upon achievement of Breakeven Operations and remain in place until the later of (i) five years from achievement of Breakeven Operations, or (ii) until the Project has maintained a 1.15 debt service coverage ratio for at least 36 consecutive months, including the last month of such period. This guaranty obligation will be used to fund or pay operating deficits incurred by the Partnership and current liabilities of the Partnership upon the depletion of the funds in the Partnership Operating Reserve. Amounts expended to satisfy this obligation shall be treated as non-interest bearing loans to the Partnership and shall be repaid out of distributable cash flow.

Repurchase. The General Partner shall repurchase the interest of the Limited Partner for an amount equal to the amount of NEFAC's Capital Contribution that has been funded plus $50,000 and all of the expenses incurred by NEF and NEFAC in conjunction with the transaction, if the Limited Partner so elects, upon the occurrence of certain major adverse events which will be described in detail in the Partnership Agreement, such as an event which threatens to deprive the Partnership or the Limited Partner of a substantial amount of the Projected Tax Credits or an action is commenced to foreclose, abandon, or permanently enjoin construction or rehabilitation of the Project.

The Guarantor will be required to execute a separate Guaranty Agreement whereby they will guaranty all of the above guaranty obligations of the General Partner and all of the General Partner's other obligations under the Limited Partnership Agreement.

9. Property Management.

Appointment of the Management Agent must be approved by NEF. The Management Agent may be replaced from time to time by the General Partner provided that NEF approves the proposed replacement Management Agent in writing. The Management Agent shall initially earn a Property Management Fee no greater than 8% of the Project's gross collected rents. If the Management Agent is related to a General Partner, the payment of the Property Management Fee will be subordinated to the payment of operating deficits, if necessary, to maintain Breakeven Operations.

10. Asset Management Fee.

The Partnership will pay from net cash flow to NEF or its designated affiliate an annual Asset Management Fee in the amount of $5,000, to be increased annually by three percent (3%).

11. Partnership Management Fee.

The General Partner shall receive an annual Partnership Management Fee in the amount of $7,500, to be increased annually by three percent (3%).

12. Right of First Refusal.

It is the express objective of NEF to identify and implement strategies to maintain projects permanently as low and moderate-income housing. As a qualified 501(c)(3) corporation, if the Project Sponsor agrees to maintain the property for low-income use, as defined in Section 42 of the Code, for a total period of at least 30 years, it will be granted a right of first refusal to purchase the Property at the end of the Tax Credit Compliance Period, for a price equal to the sum of: a) all outstanding Partnership debt, including General Partner and Limited Partner loans; b) any state, local or federal taxes owed by NEFAC as a result of the sale; and c) any unpaid portion of any Credit Adjuster payments due and owing to the Limited Partner.

13. Limited Partner Costs and Expenses.

NEF will charge the Company $52,000 for legal fees and other closing costs inclusive of the NEF tax opinion.

15. Issues to be Resolved Prior to Investment Committee Review.

A. Review of all tax credit documentation
C. Review of a Market Study and appraisal
D. Review of all financing commitments for the Project
E. Review of contractor and architect resume and experience
F. Review of the plans and specifications and construction cost breakdown
G. Review of property manager resume and experience
H. Review of Phase I Environmental Report
I. Review of Project operating expenses

16. Summary.

This letter is based on assumptions and information, including estimates of Project costs, timing assumptions and debt financing, provided by the Sponsor. Any changes in these assumptions may result in changes to the terms and conditions, including purchase price, outlined in this letter.

We are delighted that you have chosen to work with NEF. If the terms and conditions of this letter are acceptable to you, please sign and return this letter to NEF. Should the Project receive an award of LIHTC from PHFA, both parties agree to make a good faith effort to close on the terms described herein. This proposal is valid for 15 business days from the date of this letter, unless countersigned by you. Please note that if this Project does not close within the time frame specified in this letter, NEF reserves the right to re-negotiate the terms and price of this offer.

Upon receipt of this signed letter, an award of LIHTC, and receipt of all due diligence materials needed, NEF will take the Project to our Investment Review Committee for review and approval.

We wish you success in your application for Low Income Housing Tax Credits and look forward to working with you to provide needed affordable housing in your community.

Very truly yours,

NATIONAL EQUITY FUND, INC.

By: _____
Tony Lyons
Vice President and Regional Manager

The foregoing is hereby agreed to and confirmed.

Miami Redevelopment Partners, LLC

By: _____

National Equity Fund, INC
an affiliate of LISC

July 7, 2015

Joe Chambers, President
Miami Redevelopment Partners, LLC
205 E. Central Blvd., Ste. 304
Orlando, FL 32801

RE: **Liberty Rising Phase 5**
1415 NW 63rd St.
Miami, Florida

Dear Mr. Chambers:

The National Equity Fund, Inc. ("NEF") is pleased to propose the terms and conditions, as set forth in this letter of interest, pursuant to which NEF, through its affiliate, NEF Assignment Corporation ("NEFAC"), will provide equity capital for the above described property. This letter is based on certain assumptions and information, including estimates of Project costs, timing assumptions and debt financing, provided by the Sponsor. Any changes in these assumptions or this information may result in changes to the terms and conditions, including the purchase price, outlined in this letter.

1. <u>Project Information</u>

The Liberty Rising Phase 5 project will involve the new construction of 186 affordable rental units for families in Miami, Florida.

NEF has analyzed the project's development budget and has based this offer on the assumption of a total development cost of approximately $41.82 million and an allocation of 2020 low income housing tax credits from the Florida Housing Finance Corporation ("FHFC"). Financing will include low-income housing tax credits, Miami-Dade County and Miami-Dade Public Housing and Community Development Department funding. The project will include 23 one-bedroom, 89 two-bedroom, 44 three-bedroom units, 21 four-bedroom units and 9 five-bedroom units. All units will receive public housing ACC and Section 8 project-based voucher operating subsidies. All units will be affordable to residents earning no more than 60% AMI.

NEF Assignment Corporation ("NEFAC") will act as nominee limited partner on behalf of one or more investor limited partnerships or limited liability companies of which NEF is the general partner or managing member. NEF will have the right to assign the beneficial portion of its limited partner or member interest to one or more investor limited partnerships or limited liability companies of its choosing.

2. Development Team

Developer:	A to-be-formed affiliate of Miami Redevelopment Partners, LLC
General Contractor:	TBD
Attorney:	Klein Hornig LLP

3. Timing Assumptions

This letter is based on the following timing assumptions:

Construction Start:	January 2020
Partnership Investment Closing:	January 2020
Placement in Service Date:	December 2020
100% Qualified Occupancy:	June 2021

If the timing assumptions set forth above are not met, the terms and conditions of this Letter of Interest, including the purchase price, will be subject to change.

4. Tax Credits

The Sponsor is applying to the FHFC for $2,561,000 of 9% low income housing tax credits. The requested credit amount is based on the Project having an adjusted eligible basis of $37,852,899, using a tax credit rate of 7.52% and a 130% basis boost. The total Tax Credits anticipated to be claimed by the Partnership are $25,610,000 of LIHTCs (the "Projected Tax Credits"). The Projected Tax Credits are expected to be available to the Partnership beginning in 2017.

5. Capital Contributions

NEFAC will purchase the above credits for a total purchase price (the "NEFAC Capital Contribution") of $28,168,183, or $1.10 cents for each $1.00 of LIHTCs. NEFAC shall make its capital contributions to the Partnership as described below:

	NEFAC Equity Amounts
Condition	Total Equity
NEF Closing / Closing	$2,816,818
25% Construction	$5,633,637
50% Construction	$5,633,637
75% Construction	$5,633,637
100% Construction Complete	$5,633,637
Stabilization/Conversion/8609	$2,816,818
Total	$28,168,183

Developer Fee Equity. The Project Sponsor, or whoever else is designated in the Development Agreement to receive such payment, shall be paid a development fee (the "Developer Fee") in the amount of $5,363,090. The Developer Fee shall be payable at the times and upon the conditions set forth in the Development Agreement. The Developer Fee will be paid to the Partnership out of the NEFAC Capital Contribution (the "Developer Fee Equity"), which will in turn pay the

Developer Fee Equity to the Project Sponsor pursuant to the Development Fee Agreement, on the above schedule.

Deferred Developer Fee. Any portion of the Developer Fee that is not paid out of Developer Fee Equity or other financing sources shall be paid as a deferred developer fee (the "Deferred Developer Fee") from Project cash flow or the proceeds of refinancing or sale of the Project.

6. Adjustment to Purchase Price (Credit Adjusters).

Permanent Reduction in LIHTCs. The NEFAC Capital Contribution to the Partnership shall be decreased if: (i) the receipt of the Project Cost Certification, or (ii) the receipt of the Form 8609 for the Project, the maximum Actual Tax Credits are less than the Projected Tax Credits. In such an event, the NEFAC Capital Contribution shall be reduced by $1.10 times the amount by which the Actual Tax Credits are less than the Projected Tax Credits.

Material Timing Difference – Tax Credits. In the event that LIHTCs are not available to NEFAC during the Projected First Tax Credit Year in the amount projected(the "First Year Projected Tax Credits"), the NEFAC Capital Contribution shall be reduced by an amount equal to (i) $1.10 times the amount by which the actual Tax Credits received by NEFAC during the Projected First Tax Credit Year is less than the First Year Projected Tax Credits; minus (ii) the net present value of the additional Tax Credits to be received by NEFAC in the 11th year of the Tax Credit Compliance Period, based upon a 10% discount rate.

Ongoing Credit Shortfall. If at any point in time after the end of the Projected First Tax Credit Year but before the end of the Tax Credit Compliance Period, the actual Tax Credits received by NEFAC are less than the Projected Tax Credits, or if there is recapture (as defined in Section 42 of the Code) of Tax Credit, then any remaining portion of the NEFAC Capital Contribution shall be reduced by one dollar for each dollar of reduction of the Projected Tax Credits or each dollar of Tax Credits that are recaptured (the "Credit Reduction Payment"), up to a maximum total amount equal to the total Developer Fee.

In the event the remaining unpaid portion of the Limited Partner's Capital Contribution obligation is insufficient for the Limited Partner to offset all amounts that are due and owing from the General Partner to the Limited Partners pursuant to the Credit Adjusters, or the Limited Partner elects not to offset the Credit Adjusters against the remaining Limited Partner Capital Contribution Installments, then the General Partner shall, upon demand, pay the Limited Partner any remaining amount that is due and owing to the Limited Partner.

7. Reserves.

Operating Reserve. The General Partner shall establish an Operating Reserve which shall be funded from NEFAC's sixth installment of equity in the amount of $185,000 and thereafter the General Partner will be required to maintain this Operating Reserve balance from Project cash flow.

Replacement Reserve. Annual amount of $300 per unit per year (to be increased annually by three percent (3%) from project revenues. NEF's prior written consent will be required for any withdrawals greater than $5,000.

Revenue Deficit Reserve. $520,000, funded from the sixth installment of NEF's Capital Contributions. The Revenue Deficit Reserve is to be used only to fund Operating Deficits.

Upon further underwriting, NEF may determine a different amount required for the Internal Rent

Reserve to fund Operating Deficits projected to occur if the rental subsidy for the project is either not renewed past its initial term or reduced. The Internal Reserve Account will be held pursuant to a Funding and Disbursement Agreement entered into between the Limited Partnership, the General Partner and NEF.

Tax and Insurance Escrow Account. $300,000, funded from the sixth installment of NEF's Capital Contributions, to be used to fund first year tax and insurance expenses.

8. General Partner Guaranties.

Development Completion Guaranty. The General Partner and Guarantors will provide the Partnership with a Development Completion Guaranty. This guaranty obligation will become effective at the time of execution of the Partnership Agreement and will continue until the later of (i) 1 year after completion of construction, to cover the General Partner's latent defects obligation, or (ii) achievement of Breakeven Operations, to cover the General Partner's obligation to fund Project operating deficits. Payments made under the guaranty will be considered General Partner loans to the Partnership at 0% interest, repayable from cash flow.

Operating Deficit Guaranty. The General Partner and Guarantors will provide an Operating Deficit Guaranty in an amount equivalent to six months of operating expenses and reserves, which guaranty will commence upon achievement of Breakeven Operations and remain in place until the later of (i) five years from achievement of Breakeven Operations, or (ii) until the Project has maintained a 1.15 debt service coverage ratio for at least 36 consecutive months, including the last month of such period. This guaranty obligation will be used to fund or pay operating deficits incurred by the Partnership and current liabilities of the Partnership upon the depletion of the funds in the Partnership Operating Reserve. Amounts expended to satisfy this obligation shall be treated as non-interest bearing loans to the Partnership and shall be repaid out of distributable cash flow.

Repurchase. The General Partner shall repurchase the interest of the Limited Partner for an amount equal to the amount of NEFAC's Capital Contribution that has been funded plus $50,000 and all of the expenses incurred by NEF and NEFAC in conjunction with the transaction, if the Limited Partner so elects, upon the occurrence of certain major adverse events which will be described in detail in the Partnership Agreement, such as an event which threatens to deprive the Partnership or the Limited Partner of a substantial amount of the Projected Tax Credits or an action is commenced to foreclose, abandon, or permanently enjoin construction or rehabilitation of the Project.

The Guarantor will be required to execute a separate Guaranty Agreement whereby they will guaranty all of the above guaranty obligations of the General Partner and all of the General Partner's other obligations under the Limited Partnership Agreement.

9. Property Management.

Appointment of the Management Agent must be approved by NEF. The Management Agent may be replaced from time to time by the General Partner provided that NEF approves the proposed replacement Management Agent in writing. The Management Agent shall initially earn a Property Management Fee no greater than 8% of the Project's gross collected rents. If the Management Agent is related to a General Partner, the payment of the Property Management Fee will be subordinated to the payment of operating deficits, if necessary, to maintain Breakeven Operations.

10. Asset Management Fee.

The Partnership will pay from net cash flow to NEF or its designated affiliate an annual Asset Management Fee in the amount of $5,000, to be increased annually by three percent (3%).

11. Partnership Management Fee.

The General Partner shall receive an annual Partnership Management Fee in the amount of $7,500, to be increased annually by three percent (3%).

12. Right of First Refusal.

It is the express objective of NEF to identify and implement strategies to maintain projects permanently as low and moderate-income housing. As a qualified 501(c)(3) corporation, if the Project Sponsor agrees to maintain the property for low-income use, as defined in Section 42 of the Code, for a total period of at least 30 years, it will be granted a right of first refusal to purchase the Property at the end of the Tax Credit Compliance Period, for a price equal to the sum of: a) all outstanding Partnership debt, including General Partner and Limited Partner loans; b) any state, local or federal taxes owed by NEFAC as a result of the sale; and c) any unpaid portion of any Credit Adjuster payments due and owing to the Limited Partner.

13. Limited Partner Costs and Expenses.

NEF will charge the Company $52,000 for legal fees and other closing costs inclusive of the NEF tax opinion.

15. Issues to be Resolved Prior to Investment Committee Review.

A. Review of all tax credit documentation
C. Review of a Market Study and appraisal
D. Review of all financing commitments for the Project
E. Review of contractor and architect resume and experience
F. Review of the plans and specifications and construction cost breakdown
G. Review of property manager resume and experience
H. Review of Phase I Environmental Report
I. Review of Project operating expenses

16. Summary.

This letter is based on assumptions and information, including estimates of Project costs, timing assumptions and debt financing, provided by the Sponsor. Any changes in these assumptions may result in changes to the terms and conditions, including purchase price, outlined in this letter.

We are delighted that you have chosen to work with NEF. If the terms and conditions of this letter are acceptable to you, please sign and return this letter to NEF. Should the Project receive an award of LIHTC from FHFC, both parties agree to make a good faith effort to close on the terms described herein. This proposal is valid for 15 business days from the date of this letter, unless countersigned by you. Please note that if this Project does not close within the time frame specified in this letter, NEF reserves the right to re-negotiate the terms and price of this offer.

Upon receipt of this signed letter, an award of LIHTC, and receipt of all due diligence materials needed, NEF will take the Project to our Investment Review Committee for review and approval.

We wish you success in your application for Low Income Housing Tax Credits and look forward to working with you to provide needed affordable housing in your community.

Very truly yours,

NATIONAL EQUITY FUND, INC.

By: _____
Tony Lyons
Vice President and Regional Manager

The foregoing is hereby agreed to and confirmed.

Miami Redevelopment Partners, LLC

By: _____

Project Assumptions

NEF Projections_Liberty Rising Phase 1 4%.xlsm
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Project Description

Project Name	Liberty Rising Phase 1	
Limited Partnership Name	Liberty Rising Phase I, LLC	
Spreadsheet Purpose (Project Status)	Shelf	
Location		
Street Address	4751 NW 24th Court	
City	Miami	
State		FL
Zip Code	33142	
County	Miami-Dade	
Census Tract #		
Type	Urban	
Current Date	7/8/15	
Sponsor #1	Miami Redevelopment Partners, LLC	
Sponsor #1 - Tax Status	For Profit	
Sponsor #2		
Sponsor #2 - Tax Status		
Deal Source	NEF	
1 # of Residential Buildings	# Total Buildings	1
Total Number of Residential Units		185
Construction Type	New	
Target Population	Family	
Effective Tax Rate		35%
State Tax Rate (CA only)		
Rehab with Tenants in place?		N
4% or 9% credit deal?		4%
Tax exempt bond deal? (Y/N)		Y
Use Building by Building Depreciation Schedule (Y/N)		
QCT / DDA (Indicate Which)	QCT	
130% Boost (enter %, 101% - 130%)		130%
Is 3rd party buying state credits ?		N
SMT #		
Date Deal Secured		
Building Type	Multifamily	

Timing Assumptions

NEF Admission to Partnership	1/1/16
NEF Initial Funding	1/1/16
Construction Start	1/1/16
Placed in Service	12/1/16
Permanent Loan Closing	6/1/17
Projected First Credit Year	2016
Sale of Project	12/31/32

Partnership Information

Is Developer Cash Basis? (Y/N)	N	
General Partner Tax Exempt (Y/N)	N	
Co-General Partner Tax Exempt (Y/N)	N	
Lower-Tier LP Profit/Loss & Credits Share	99.99%	
Lower-Tier GP Profit/Loss & Credit Share	0.01%	
Sale Proceeds Share - LP Portion	10.00%	
Sale Proceeds Share - GP Portion	90.00%	
Deferred Developer Fee Interest Rate		
Applicable Fed. Rate (AFR)	2.74%	Jul-15
Lower-Tier LP Cash Flow Distribution Percentage	99.99%	
Length of LURA	30	

Escalators

Annual Residential Rent Increase - LIHTC	2.00%
-Subsidized	2.00%
Annual Residential Rent Increase - Mkt	2.00%
Residential Vacancy Rate - LIHTC	7.00%
-Subsidized	7.00%
-Mkt	7.00%
Annual Commercial Rent Increase	2.00%
Commercial Vacancy Rate	7.00%
Alternate escalation table being used	
Other Income Growth Rate	2.00%
Annual Expense Increase	3.00%

Reserves and Fees

	Y/N	$ Amt or % of EGI	Accrue Fee/Funding (Y/N)	Interest Earnings Rate	Growth Rate	Estimated Reserve Amount per Unit	Target Reserve Amount
Annual Funding of Replacement Reserve	Y	55,500		2.00%	3.00%	$300	
Annual Funding of Operating Reserve				2.00%	3.00%		
Annual Funding of Rev Deficit Reserve				2.00%	3.00%		
Annual NEFAsset Management Fee	Y	18,500		2.00%	3.00%		
Annual Partnership Mgmt Fee to GP	Y	7,500		2.00%	3.00%		
Management Incentive Fee							
Annual Funding of Ins & Tax Escrow				2.00%	3.00%		
Annual Funding of Other Reserves				2.00%	3.00%		

Project Assumptions

NEF Projections_Liberty Rising Phase 1 4%.xlsm
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Tax Credit Information				
Acquisition Credit Rate	3.22%	Date	7/1/15	
Construction / Rehab Credit Rate	7.52%	Date	7/1/15	
Credit Rate Locked-In? (Y/N)	N	Date		
Annual Tax Credit frm Tax Credit Res	$1,740,003		Year of allocation	2015
Annual Tax Credit - 2nd year allocation			Elected set-aside	
Total Annual Tax Credit Allocation	$1,740,003		($2,421,230)	Unallocated
Total Annual Rehab Credit Allocated	$1,740,003			
Total Annual Acq Credit Allocated	$0			
Total LIHTC Basis+Land+Commercial	42,565,802			
10% Carryover Test Required (Y/N)	N			
Due Date of 10% Carryover				
Eligible for Solar Credits? (Y/N)	N			
Eligible for Acquisition Credit? (Y/N)	N			
Eligible for Cal State Tax Credit? (Y/N)	N			
Tax Credit Allocated				
Eligible for State LIHTC Credit? (Y/N)	N			
Tax Credit Allocated				
State LIHTC Credit - Number of Years				
Eligible for Historic Rehab Credit? (Y/N)	N			
Eligible for State Historic Tax Credit? (Y/N)	N		Number of Years	
State Historic Credit Percentage				

Other Annual Income	
Laundry	11,100
Vending	
Other Income	
TOTAL	11,100

Is 168 election required

Tax Exempt Bond Financing	
Bond Issuer	
Credit Enhancement Type	
Enhancement Provided by	
Bond Purchaser:	
Date of Bond Issuance	
Are These Draw Down Bonds	

Peredevelopment loan

NEF Regional Team:	
VP Originations	Tony Lyons
VP Supportive Housing	
Originations Manager	Sandra Seals
Originations Analyst	
VP Project Management	
Project Manager	
Constructions Risk Manager	
VP Asset Management	
Asset manager	

Project Characteristics Choose all that apply

# Bdrms	# Bath rooms	Description	# Units	Median Income Targeted	Description of Units	Developer Rent	NEF LIHTC Rent	HUD FMR	S8 Pymt Standard	Tenant Pd Utility	Market Units Rent	Average Market Rent	During Contract	After Contract	Subsidy Type	Term (yrs)	Stressed Term (yrs)	Monthly Comm Income	Total Monthly Income	Stressed Income Escalator	Sq Ft / Unit	Total Sq Ft	Max LIHTC Rent @ target AMI	% of Rent Below LIHTC Max	After Contract Rent % Below LIHTC Max	Rent As Max % of Income	% of AMI of After Contract Rents	% of Rent Below Avg Market Rent
1	1.0	LIHTC Subsidized	3	50%						66			497	497	ction 8 - PHA Project Based Vouch	15	5		1,491	2.00%	650	1,950	635	11%	11%	60.2%	60%	#DIV/0!
1	1.0	LIHTC Subsidized	2	50%						66.00			914	914	ction 8 - PHA Project Based Vouch	15	5		1,828	2.00%	650	1,300	635	-54%	-54%	104.7%	105%	#DIV/0!
1	2.0	LIHTC	17	60%		696	696			66.00									11,832	2.00%	650	11,050	762	0%		81.4%		#DIV/0!
2	2.0	LIHTC Subsidized	34	50%						84.00			603	603	ction 8 - PHA Project Based Vouch	15	5		20,502	2.00%	1,100	37,400	762	10%	10%	61.2%	61%	#DIV/0!
2	2.0	LIHTC Subsidized	21	50%						84.00			1,173	1,173	ction 8 - PHA Project Based Vouch	15	5		24,633	2.00%	1,100	23,100	762	-65%	-65%	112.0%	112%	#DIV/0!
2	2.0	LIHTC	30	60%		831	831			84.00			1,648	1,648	ction 8 - PHA Project Based Vouch	15	5		74,370	2.00%	1,100	33,000	914	-90%	-90%	154.3%	154%	#DIV/0!
3	2.0	LIHTC Subsidized	13	50%						105.00			771	771	ction 8 - PHA Project Based Vouch	15	5		10,023	2.00%	1,250	16,250	880	0%	0%	67.5%	68%	#DIV/0!
3	2.0	LIHTC Subsidized	11	50%						105.00			1,616	1,616	ction 8 - PHA Project Based Vouch	15	5		17,776	2.00%	1,250	13,750	880	-96%	-96%	132.6%	133%	#DIV/0!
3	2.0	LIHTC	19	60%		951	951			105.00									18,069	2.00%	1,250	23,750	1,056	0%		81.4%		#DIV/0!
4	2.0	LIHTC Subsidized	10	50%						137.00			902	902	ction 8 - PHA Project Based Vouch	15	5		9,020	2.00%	1,350	13,500	982	-6%	-6%	71.8%	72%	#DIV/0!
4	2.0	LIHTC Subsidized	13	50%						137.00			1,888	1,888	ction 8 - PHA Project Based Vouch	15	5		24,544	2.00%	1,350	17,550	982	-106%	-106%	139.9%	140%	#DIV/0!
5	2.0	LIHTC Subsidized	10	50%						137.00			1,037	1,037	ction 8 - PHA Project Based Vouch	15	5		10,370	2.00%	1,450	14,500	1,083	-8%	-8%	73.5%	74%	#DIV/0!
2	2.0	Manager	2	50%															0	2.00%	1,100	2,200				0.0%		#DIV/0!
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		Total Units	185													15	5											

Commercial Units	0
Residential Units	185
Manager Units	2

Percent Residential 100.00%

BE Occupancy 84.55%

http://www.huduser.org/portal/datasets/mtsp.html

HUD Income	
Median Income / Family of 4	49,900
As Of (Date)	3/6/15
Location	Miami Dade County
AMI source	HUD

Date AMI checked 7/6/15

Rent floor election year

	LIHTC	Market	Commercial	Subsidized	TOTAL	Garages	Day Care Bldg
Total Units	68	0	0	117	185		
Monthly Rent	54,831	0	0	169,627	224,458		
Annual Rent	657,972	0	0	2,035,524	2,693,496	0	0
Total RentableSq Ftg	67,800	0	0	139,300	207,100		

0	Total Commercial Sq Ft
	Is Commercial Space a Master Lease (Y/N)
0	Commercial Rent per Sq Ft
	Type of Lease NN or NNN)
	Is Commercial Space Eligible for Historic Credits

	Utilities	Source	Date
Tenant Paid	Gas & Electric	PHCD	
Owner Paid	Trash and Water	PHCD	

AMI Analysis		% Change
2006	55,900	
2007	45,200	-19.14%
2008	49,200	8.85%
2009	50,800	3.25%
2010	52,200	2.76%
2011	51,900	-0.57%
2012	52,600	1.35%
2013	49,000	-6.84%
2014	48,400	-1.22%
2015	49,900	3.10%
2016		0.00%
		-0.94%

Source: huduser.org

4 person very low income 33,850

Max LIHTC Income and Rents

# BDRMS	Family Size	Adj Factor	50%		60%									
			Income	Rent	Income	Rent	Income	Rent	Income	Rent	Income	Rent	Income	Rent
0	1	0.70	23,695	592	28,434	711	0	0	0	0	0	0	0	0
1	1.5	0.75	25,388	635	30,465	762	0	0	0	0	0	0	0	0
	2	0.80	27,080	677	32,496	812	0	0	0	0	0	0	0	0
2	3	0.90	30,465	762	36,558	914	0	0	0	0	0	0	0	0
	4	1.00	33,850	846	40,620	1,016	0	0	0	0	0	0	0	0
3	4.5	1.04	35,204	880	42,245	1,056	0	0	0	0	0	0	0	0
	5	1.08	36,558	914	43,870	1,097	0	0	0	0	0	0	0	0
4	6	1.16	39,266	982	47,119	1,178	0	0	0	0	0	0	0	0
	7	1.24	41,974	1,049	50,369	1,259	0	0	0	0	0	0	0	0
5	7.5	1.28	43,328	1,083	51,994	1,300	0	0	0	0	0	0	0	0
	8	1.32	44,682	1,117	53,618	1,340	0	0	0	0	0	0	0	0

1.26

% of funding	Required Loans / Source of Funds / Lender Name	Principal	Debt / Unit	Payment Type	Interest Rate	Perm Loan Closing Date	1st Pay Date	Amort Yrs	Term Yrs	Recourse Y/N)	Sponsor/Related Party	Is lender related to investor	Source	Conversion Requirements
29.58%	First Mortgage	14,030,300	75,839	Amortizing	6.25%	6/1/17	7/1/17	35	35	N	N	N	Private Lender	
0.00%			0											
0.00%			0											
0.00%			0											
0.00%			0											
		14,030,300	**75,839**											
	Contingent Loans / Lender Name													
11.55%	County General Obligation Bonds	5,476,548	29,603	Amortizing	2.37%	1/1/16	2/1/16	35	35	N	N		County Loan Sources	
2.30%	PHCD Documentary Surtax Fund	1,091,445	5,900	Amortizing	2.37%	1/1/16	2/1/16	35	35	N	N		County Loan Sources	
3.07%	PHCD CFFP	1,455,261	7,866	Amortizing	2.37%	1/1/16	2/1/16	35	35	N	N		County Loan Sources	
0.33%	Other Public and Private Funds	155,000	838	Amortizing	2.37%	1/1/16	2/1/16	35	35	N	N		Other	
10.54%	FHFC SAIL Loan	5,000,000	27,027	Simple	0.00%	1/1/16	2/1/16	35	35	N	N		State Loans	
1.27%	FHFC ELI Loan	601,780	3,253	Simple	0.00%	1/1/16	2/1/16	35	35	N	N		State Loans	
1.01%	RAD Subsidy During Construction	476,755	2,577	Amortizing	2.37%	1/1/16	2/1/16	35	35	N	N		Other	
0.00%			0											
	Subtotal Contingent Loans	**14,256,789**	**77,064**											

	Grants		Comments	Fed Grant ? (Y/N)
0.00%				
0.00%				
	Subtotal Grants	**0**		

	Other Sources		Comments			
0.00%	State Tax Equity Provider	0				
0.00%	Cash Flow from Operations	0	Percentage of cash flow from operations to fund deal	0%	No of Yrs	2
0.00%						
0.00%						
0.00%						
0.00%						
0.00%	GP Capital	100				
0.00%	Developer Fee via Cash Flow	0	0 Year DDF Paid Off			
40.35%	NEF Equity	19,138,125	DDF paid on RA page			
	Subtotal Other Sources	**19,138,225**				
100.00%	**Total Sources**	**47,425,314**				

Construction Financing

Construction Lender	Principal	Interest Rate	Conversion Date	Maturity Date	Comments	Bond Financing (Y/N)
First Mortgage	14,205,023	6.25%	6/1/17	6/1/17		

Development Costs

Uses of Funds		Total	Per Sq Ft	Per Unit	Depreciable Basis	NC/Rehab Eligible	Acquisition Eligible	Commercial Costs	Non-Depreciable	Amortized	Yrs	Expensed	Historic Basis	Bond Basis	Check	Comments
Land	0%		0	0	0	X	0	0	0	0		0	X	0	0	
Building	0		0	0	0	X	0	0	0	0	0	0	X	0	0	
Acquisition Legal Costs			0	0	0	X	0	0	0	0		0	X	0	0	
Other acquisition costs - holding costs			0	0	0	X	0	0	0	0		0	X	0	0	
Other acquisition costs			0	0	0	X	0	0	0	0		0	X	0	0	
Off-Site Improvements		1,850,000	9	10,000	0	X	0	0	1,850,000	0		0	X	0	0	
Site Work - Bldg Life Depr (Utility & Sewer Lines)			0	0	0	0	0	0	0	0		0	X	0	0	
Site Work - Non Depr (Grading, Demolition, Land Clearing)		894,660	4	4,836	0	0	0	0	894,660	0		0	X	0	0	
Site Work - 15 Year Depr (Landscaping, fine grading, sidewalks)			0	0	0	0	0	0	0	0		0	X	0	0	
Basic Construction Retention %		23,525,855	114	127,167	23,525,855	23,525,855	0	0	0	0		0	0	23,525,855	0	
Personal Property			0	0	0	0	0	0	0	0		0		0	0	
Gen. Req., Builder's OH & Profit	13.98%	3,415,167	16	18,460	3,415,167	3,415,167	0	0	0	0		0	0	3,415,167	0	
Other Construction Hard Costs - Solar			0	0	0	0	0	0	0	0		0	0	0	0	
Other Construction Hard Costs			0	0	0	0	0	0	0	0		0	0	0	0	
Other Construction Hard Costs			0	0	0	0	0	0	0	0		0	0	0	0	
CONSTRUCTION CONTINGENCY	4.42%	1,313,526	6	7,100	1,313,526	1,313,526	0	0	0	0		0	0	1,313,526	0	
Payment and Performance Bond		262,705	1	1,420	262,705	262,705	0	0	0	0		0	0	262,705	0	
Architect/Design		700,000	3	3,784	700,000	700,000	0	0	0	0		0	0	700,000	0	
Construction Management/Architect Supervision		190,000	1	1,027	190,000	190,000	0	0	0	0		0	0	190,000	0	
Construction Permits and Fees			0	0	0	0	0	0	0	0		0	0	0	0	
Lender or NEF Inspection fee		16,000	0	86	16,000	16,000	0	0	0	0		0	0	16,000	0	
Engineering		380,000	2	2,054	380,000	380,000	0	0	0	0		0	0	380,000	0	
Environmental Reporting and Abatement		25,000	0	135	25,000	25,000	0	0	0	0		0	0	25,000	0	
Geotechnical Study/Soil Borings		70,000	0	378	70,000	70,000	0	0	0	0		0	0	70,000	0	
Other Construction Soft Costs		75,000	0	405	75,000	75,000	0	0	0	0		0	0	75,000	0	
Other Construction Soft Costs			0	0	0	0	0	0	0	0		0	0	0	0	
Construction Loan Origination Fee		324,172	2	1,752	324,172	324,172	0	0	0	0	20	0	0	324,172	0	
CONSTRUCTION LOAN INTEREST IN BASIS	1,439,740	534,375	3	2,889	534,375	534,375	0	0	0	0		0	0	534,375	0	
CONSTRUCTION LOAN INTEREST EXPENSED		534,375	3	2,889	0	0	0	0	0	0		534,375	0	0	0	
Construction Period RE Taxes		60,000	0	324	60,000	60,000	0	0	0	0		0	0	60,000	0	
Construction Period Insurance		650,000	3	3,514	650,000	650,000	0	0	0	0		0	0	650,000	0	
Negative Arbitrage, costs of issuance, LOC fees		1,781,063	9	9,627	1,781,063	1,781,063	0	0	0	0		0	0	1,781,063	0	
Appraisal		13,000	0	70	13,000	13,000	0	0	0	0		0	0	13,000	0	
Market Study		12,000	0	65	12,000	12,000	0	0	0	0		0	0	12,000	0	
Survey		30,000	0	162	30,000	30,000	0	0	0	0		0	0	30,000	0	
Predevelopment Loan Interest and Fees			0	0	0	0	0	0	0	0	15	0	0	0	0	
Consulting Fees			0	0	0	0	0	0	0	0	15	0	0	0	0	
"Project" Bridge Loan Interest in Basis			0	0	0	0	0	0	0	0		0	0	0	0	
Loan Origination Fee - Permanent			0	0	0	0	0	0	0	0	35	0	0	0	0	
Title & Recording		290,000	1	1,568	261,000	261,000	0	0	29,000	0	10	0	0	261,000	0	
Legal - Syndication/Organization		0	0	0	0	0		0	0	0	15	0	0	0	0	
Legal - Bond/Perm Loan			0	0	0	0	0	0	0	0	35	0	0	0	0	
Legal - Construction		255,000	1	1,378	255,000	255,000	0	0	0	0		0	0	255,000	0	
Due Diligence - NEF		52,000	0	281	0	0	0	0	52,000	0		0	0	0	0	
Tax Credit Allocation Fee		139,200	1	752	0	0	0	0	0	139,200	10	0	0	0	0	
Tax Credit Compliance Fees		109,218	1	590	0	0	0	0	0	109,218	10	0	0	0	0	
Lease-up and Marketing Costs		207,660	1	1,122	0	0	0	0	0	207,660	1	0	0	0	0	
Accounting/Post Const. Audit		35,000	0	189	0	0	0	0	0	0		35,000	0	0	0	
Soft Cost Contingency		341,610	2	1,847	341,610	341,610	0	0	0	0		0	0	341,610	0	
Other Soft Costs		246,933	1	1,335	246,933	246,933	0	0	0	0	2	0	0	246,933	0	
Other Soft Costs		706,629	3	3,820	706,629	706,629	0	0	0	0		0	0	706,629	0	
Other Soft Costs		250,000	1	1,351	250,000	250,000	0	0	0	0		0	0	250,000	0	
Developer Fee - Construction	100%	7,126,767	34	38,523	7,126,767	7,126,767	0	0	0	0		0	0	7,126,767	0	
Developer Fee - Acquisition	0%		0	0	0		0	0	0	0		0	0	0	0	
Developer Fee - Other			0	0	0	0	0	0	0	0		0	0	0	0	
Initial Operating Reserve	0.97	185,000	1	1,000	0	0	0	0	185,000	0		0	X	0	0	
Capitalized Replacement Reserve	0		0	0	0	0	0	0	0	0		0	X	0	0	
Capitalized ACC Reserve			0	0	0	0	0	0	0	0		0	X	0	0	
Capitalized Rev Deficit Reserve	3	520,000	3	2,811	0	0	0	0	520,000	0		0	X	0	0	
Capitalized Ins & Tax Escrow		300,000	1	1,622	0	0	0	0	300,000	0		0	X	0	0	
Capitalized Lease-Up Reserve			0	0	0	0	0	0	0	0		0	X	0	0	
Other Reserves			0	0	0	0	0	0	0	0		0	X	0	0	
Other Reserves			0	0	0	0	0	0	0	0		0	X	0	0	
Other Reserves				0	0	0	0	0	0	0		0	X	0	0	
Accrued Contingent Loan Interest		201,450			0	0	0	0	0	0		0	0	0	201,450	
Total Uses		47,421,915	229	256,335	42,565,802	42,565,802	0	0	3,830,660	456,078		569,375	0	42,565,802	0	

Sources/Uses Surplus (Gap)	3,399

Lease-Up Schedule / Credit Delivery

Number of Residential Units	185	First Building Placed in Service	12/1/16	Acquisition Credits Allocated/yr	0
Number of Tax Credit Units	185	Last Building Placed in Service	12/1/16	LIHTCs Allocated @ 100%/yr	0
Number of Market Units	0	Construction Contract Completion Date		LIHTCs Allocated @ 130%/yr	1,740,003
Commercial Square Footage	0			Cal State Credits Allocated @ 100%	0
Square Footage of Building	207,100			Cal State Credits Allocated @ 130%	0
Start of Construction	1/1/16			State Credits Allocated	0
Completion/CofO/Placed in Service	12/1/16			Historic Credits Allocated	0
Start of Leasing/Move-in Date	12/1/16	Absorption (avg units/month) per market study	50	State Historic Credits Allocated	0
100% Lease-Up/Qualified Occupancy	4/1/17	Absorption (avg units/month) per model	37	Solar Credits	0
Start of QO Tax Credit Units PIS	12/1/2016				
Construction Period	11				

Year	Tax Credit Units Leased (Income)	Cumulative TC Units Leased	Tax Credit Units Leased (Credits)	Non TC Units Leased	Cumulative Non TC Units Leased	Commercial Sq Ft Leased	Tax Credit Rental Income	Commercial Income	Non Tax Credit Rental Income	Total Rental Income	Rehab Tax Credits	Acq Tax Credits	Total Tax Credits
Jan-16		0			0		0	0	0	0	0	0	0
Feb-16		0			0		0	0	0	0	0	0	0
Mar-16		0			0		0	0	0	0	0	0	0
Apr-16		0			0		0	0	0	0	0	0	0
May-16		0			0		0	0	0	0	0	0	0
Jun-16		0			0		0	0	0	0	0	0	0
Jul-16		0			0		0	0	0	0	0	0	0
Aug-16		0			0		0	0	0	0	0	0	0
Sep-16		0			0		0	0	0	0	0	0	0
Oct-16		0			0		0	0	0	0	0	0	0
Nov-16		0			0		0	0	0	0	0	0	0
Dec-16	37	37	37		0		44,892	0	0	44,892	29,000	0	29,000
TOTAL	**37**	**37**	**37**	**0**	**0**		**44,892**	**0**	**0**	**44,892**	**29,000**	**0**	**29,000**

Year	Tax Credit Units Leased (Income)	Cumulative Tax Credit Units Leased	Tax Credit Units Leased (Credits)	Non Tax Credit Units Leased	Cumulative Non Tax Credit Units	Commercial Sq FT Leased	Tax Credit Rental Income	Commercial Income	Non Tax Credit Rental Income	Total Rental Income	Rehab Tax Credits	Acq Tax Credits	Total Tax Credits
Jan-17	37	74	37		0		89,783	0	0	89,783	348,001	0	348,001
Feb-17	37	111	37		0		134,675	0	0	134,675	319,001	0	319,001
Mar-17	37	148	37		0		179,566	0	0	179,566	290,001	0	290,001
Apr-17	37	185	37		0		224,458	0	0	224,458	261,000	0	261,000
May-17		185			0		224,458	0	0	224,458	0	0	0
Jun-17		185			0		224,458	0	0	224,458	0	0	0
Jul-17		185			0		224,458	0	0	224,458	0	0	0
Aug-17		185			0		224,458	0	0	224,458	0	0	0
Sep-17		185			0		224,458	0	0	224,458	0	0	0
Oct-17		185			0		224,458	0	0	224,458	0	0	0
Nov-17		185			0		224,458	0	0	224,458	0	0	0
Dec-17		185			0		224,458	0	0	224,458	0	0	0
Credits from QO Units PIS in 2016											**348,001**	**0**	**348,001**
TOTAL	**148**	**185**	**148**	**0**	**0**		**2,424,146**	**0**	**0**	**2,424,146**	**1,566,003**	**0**	**1,566,003**

Lease-Up Schedule / Credit Delivery

Year	Tax Credit Units Leased (Income)	Cumulative Tax Credit Units Leased	Tax Credit Units Leased (Credits)	Non Tax Credit Units Leased	Cumulative Non Tax Credit Units	Commercial Sq FT Leased	Tax Credit Rental Income	Commercial Income	Non Tax Credit Rental Income	Total Rental Income	Rehab Tax Credits	Acq Tax Credits	Total Tax Credits
Jan-18		185			0		224,458	0	0	224,458	0	0	0
Feb-18		185			0		224,458	0	0	224,458	0	0	0
Mar-18		185			0		224,458	0	0	224,458	0	0	0
Apr-18		185			0		224,458	0	0	224,458	0	0	0
May-18		185			0		224,458	0	0	224,458	0	0	0
Jun-18		185			0		224,458	0	0	224,458	0	0	0
Jul-18		185			0		224,458	0	0	224,458	0	0	0
Aug-18		185			0		224,458	0	0	224,458	0	0	0
Sep-18		185			0		224,458	0	0	224,458	0	0	0
Oct-18		185			0		224,458	0	0	224,458	0	0	0
Nov-18		185			0		224,458	0	0	224,458	0	0	0
Dec-18		185			0		224,458	0	0	224,458	0	0	0
Credits from QO Units PIS in 2016											**348,001**	**0**	**348,001**
Credits from QO Units PIS in 2017											**1,392,002**	**0**	**1,392,002**
TOTAL	**0**	**185**	**0**	**0**	**0**		**2,693,496**	**0**	**0**	**2,693,496**	**1,740,003**	**0**	**1,740,003**
		units agree	units agree		units agree	sq ft agrees							

	Credits	Price/Credit	Equity
Federal LIHTC Credits	17,398,290	1.100	19,138,125
Federal Historic Tax Credits	0		0
State LIHTC Credits Purchased by NEF	0		0
State Historic Credits Purchased by NEF	0		0
Solar Credits	0		0
Total Limited Partner Equity			**19,138,125**
State LIHTC Credits Purchased by a 3rd Party			
3rd Party Buyer			
State Historic Credits Purchased by a 3rd Party			
3rd Party Buyer			
Total			**19,138,125**

Equity Installments

Payment	Project Milestone	Date	Qtr Paid	Development Costs Percent	Project Cost	Developer Fee Percent	Developer Fee	Total Reserves Payment	NEF Reserves	Total Equity Paid	Total Equity Percent	3rd Party Equity	NEF and 3rd Party EQUITY
1	NEF Closing/Construction Start	1/1/16	3/31/16	10.00%	1,100,636	25.00%	1,781,692		0	2,882,328	15.06%	0	2,882,328
2	25% Construction Complete	4/1/16	6/30/16	15.00%	1,650,954	15.00%	1,069,015		0	2,719,969	14.21%	0	2,719,969
3	50% Construction Complete	8/1/16	9/30/16	15.00%	1,650,954	15.00%	1,069,015		0	2,719,969	14.21%	0	2,719,969
4	75% Construction Complete	10/1/16	12/31/16	15.00%	1,650,954	15.00%	1,069,015		0	2,719,969	14.21%	0	2,719,969
5	100% Construction Complete/ Placed in Service/ CO	12/1/16	12/31/16	20.00%	2,201,272	25.00%	1,781,692		0	3,982,963	20.81%	0	3,982,963
6	Stabilization / Conversion / Final Cost Cert / 8609	6/1/17	6/30/17	25.00%	2,751,590	5.00%	356,338	1,005,000	1,005,000	4,112,928	21.49%	0	4,112,928
7	Tax Return				0		0		0	0	0.00%	0	0
8					0		0		0	0	0.00%	0	0
9					0		0		0	0	0.00%	0	0
10					0		0		0	0	0.00%	0	0
TOTAL				100.00%	11,006,358	100.00%	7,126,767	1,005,000	1,005,000	19,138,125	100.00%	0	19,138,125
					11,006,358					Equity Agrees		Equity Agrees	

Developer Fee	
Maximum Deferred Fee Percentage	50.00%
Developer Fee	7,126,767
From Cash Flow	0
From Equity	7,126,767
Percentage of Fee Deferred	0.00%

Operating Expenses

	Units 185	Annual Expense	Per Unit	Escalator	Comments	calculated property mgmt fee	alternate property mgmt fee calculation
General & Administrative	Property Management Fee	59,536	322	3.00%		2.41%	
	Misc. Prop. Mgmt. Fees	120,030	649	3.00%			
	Accounting/Auditing		0	3.00%			59,536
	Legal		0	3.00%			
	Office Supplies & Expense		0	3.00%			
	Telephone Answering Service		0	3.00%			
	Other - LIHTC Compliance Monitoring		0	3.00%			
	Other - Misc. Admin.		0	3.00%			
		179,566	971				
Payroll & Related	Administrative Payroll		0	3.00%			
	Maintenance Payroll		0	3.00%			
	Repair Payroll		0	3.00%			
	Payroll Taxes		0	3.00%			
	Fringe Benefits		0	3.00%			
	Other		0	3.00%			
		0	0				
						Owner Paid	Tenant Paid
Utilities	Electric (Common Area)		0	3.00%			
	Gas/Fuel Oil/Coal (Common Area)		0	3.00%			
	Water & Sewer		0	3.00%			
	Electric (for Units)		0	3.00%			
	Gas/Fuel Oil/Coal (for Units)		0	3.00%			
	Other		0	3.00%			
		0	0				
Maintenance & Repair	Cleaning (Janitorial)		0	3.00%			
	Elevator Maintenance		0	3.00%			
	Exterminating		0	3.00%			
	Fire Alarm Inspection		0	3.00%			
	Grounds Maintenance	1,053,994	5,697	3.00%			
	Grounds Maintenance Contract		0	3.00%			
	Painting & Decorating/Make-ready		0	3.00%			
	Repairs		0	3.00%			
	Repairs Contract		0	3.00%			
	Security		0	3.00%			
	Supplies		0	3.00%			
	Trash Removal/Snow Removal		0	3.00%			
	Vehicle/Equipment Maintenance		0	3.00%			
	Other - Misc Ops and Maint Expenses		0	3.00%			
	Reserves		0	3.00%			
		1,053,994	5,697				
Market & Leasing	Advertising		0	3.00%			
	Credit Investigations		0	3.00%			
	Leasing Fees		0	3.00%			
	Other		0	3.00%			
		0	0				
Taxes & Insurance	Insurance - Liability		0	3.00%			
	Other Taxes, Licenses & Fees		0	3.00%			
	Real Estate Taxes		0	3.00%			
	Property/Liability (Hazard)		0	3.00%			
	Other		0	3.00%			
		0	0				

Total Annual Operating Budget 1,233,560

Annual Operating Budget per Unit (PUPA) **6,668**

Is the project providing a washer/dryer in unit(s) Y/N

Which units are provided w/washer & dryer

Cash Flow

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	Sale 2032	0	0	TOTAL
Project Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	
% of Year in Operation	1.67%	90.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	0.00%	0.00%	
LIHTC and Subsidized Vacancy Override																				
INCOME																				
Gross Rent Paid - LIHTC Units 2.00%	10,966	592,175	684,554	698,245	712,210	726,454	740,983	755,803	770,919	786,337	802,064	818,105	834,468	851,157	868,180	885,544	903,255	0	0	12,441,420
Gross Rent Paid - Sub Units Increase 2.00%	33,925	1,831,972	2,117,759	2,160,114	2,203,317	2,247,383	2,292,331	2,338,177	2,384,941	2,432,640	2,481,292	2,530,918	2,581,537	2,633,167	2,685,831	2,511,252	0	0	0	35,466,555
Gross Rent Paid - After Contract 2.00%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	228,296	2,794,338	0	0	3,022,634
Market Rent	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Gross Residential Income	**44,892**	**2,424,146**	**2,802,313**	**2,858,360**	**2,915,527**	**2,973,837**	**3,033,314**	**3,093,980**	**3,155,860**	**3,218,977**	**3,283,357**	**3,349,024**	**3,416,004**	**3,484,324**	**3,554,011**	**3,625,091**	**3,697,593**	**0**	**0**	50,930,609
LIHTC Vacancy @ 7.0%	(768)	(41,452)	(47,919)	(48,877)	(49,855)	(50,852)	(51,869)	(52,906)	(53,964)	(55,044)	(56,144)	(57,267)	(58,413)	(59,581)	(60,773)	(61,988)	(63,228)	0	0	(870,899)
Subsidized Residential Vacancy @ 7.0%	(2,375)	(128,238)	(148,243)	(151,208)	(154,232)	(157,317)	(160,463)	(163,672)	(166,946)	(170,285)	(173,690)	(177,164)	(180,708)	(184,322)	(188,008)	(191,768)	(195,604)	0	0	(2,694,243)
Market Residential Vacancy @ 7.0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Income / yr @ 2% increase / yr	185	10,190	11,548	11,779	12,015	12,255	12,500	12,750	13,005	13,266	13,531	13,801	14,077	14,359	14,646	14,939	15,238	0	0	210,087
Other Income Vacancy @ 7.0%	(13)	(713)	(808)	(825)	(841)	(858)	(875)	(893)	(910)	(929)	(947)	(966)	(985)	(1,005)	(1,025)	(1,046)	(1,067)	0	0	(14,706)
Commercial @ 2% increase / yr	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Commercial Vacancy @ 7.0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Income																				0
Total Effective Gross Income from Project	**41,921**	**2,263,933**	**2,616,891**	**2,669,229**	**2,722,614**	**2,777,066**	**2,832,607**	**2,889,260**	**2,947,045**	**3,005,986**	**3,066,105**	**3,127,427**	**3,189,976**	**3,253,775**	**3,318,851**	**3,385,228**	**3,452,933**	**0**	**0**	47,560,847
EXPENSES																				
GENERAL & ADMINISTRATIVE	2,993	166,458	190,502	196,217	202,103	208,166	214,411	220,844	227,469	234,293	241,322	248,561	256,018	263,699	271,610	279,758	288,151	0	0	3,712,573
PAYROLL & RELATED	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
UTILITIES	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
MAINTENANCE & REPAIR	17,567	977,052	1,118,182	1,151,728	1,186,280	1,221,868	1,258,524	1,296,280	1,335,168	1,375,223	1,416,480	1,458,974	1,502,743	1,547,826	1,594,260	1,642,088	1,691,351	0	0	21,791,594
MARKETING & LEASING	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TAXES & INSURANCE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
OTHER EXPENSES																				0
Total Expenses	**20,559**	**1,143,510**	**1,308,684**	**1,347,944**	**1,388,383**	**1,430,034**	**1,472,935**	**1,517,123**	**1,562,637**	**1,609,516**	**1,657,801**	**1,707,536**	**1,758,762**	**1,811,524**	**1,865,870**	**1,921,846**	**1,979,502**	**0**	**0**	25,504,167
Replacement Reserve (Funding Req.) @$300	925	51,449	58,880	60,646	62,466	64,340	66,270	68,258	70,306	72,415	74,587	76,825	79,130	81,504	83,949	86,467	89,061	0	0	1,147,477
Total Expenses including Replacement Reserve	**21,484**	**1,194,959**	**1,367,564**	**1,408,591**	**1,450,848**	**1,494,374**	**1,539,205**	**1,585,381**	**1,632,943**	**1,681,931**	**1,732,389**	**1,784,361**	**1,837,891**	**1,893,028**	**1,949,819**	**2,008,313**	**2,068,563**	**0**	**0**	26,651,643
NET OPERATING INCOME	**20,437**	**1,068,974**	**1,249,328**	**1,260,639**	**1,271,765**	**1,282,692**	**1,293,402**	**1,303,878**	**1,314,102**	**1,324,055**	**1,333,716**	**1,343,067**	**1,352,085**	**1,360,747**	**1,369,032**	**1,376,915**	**1,384,370**	**0**	**0**	20,909,204
ECR	1.95	1.89	1.91	1.89	1.88	1.86	1.84	1.82	1.80	1.79	1.77	1.75	1.74	1.72	1.70	1.69	1.67	0.00	0.00	
Req'd ECR 1.05 Cash needed for ECR	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
DEBT SERVICE (MUST-PAY))																				
First Mortgage Loan																				
Principal Pmt. - First Mortgage	0	56,496	118,414	126,031	134,137	142,765	151,948	161,722	172,124	183,195	194,979	207,520	220,868	235,075	250,195	266,289	283,417	0	0	2,905,177
Interest Pmt. - First Mortgage	0	437,716	870,009	862,392	854,286	845,658	836,475	826,701	816,299	805,228	793,444	780,903	767,555	753,348	738,228	722,135	705,006	0	0	12,415,381
Loan Servicing and/or MIP Fees	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total Debt Service - First Mortgage	0	494,212	988,423	988,423	988,423	988,423	988,423	988,423	988,423	988,423	988,423	988,423	988,423	988,423	988,423	988,423	988,423	0	0	15,320,558
Cash-flow after debt service - 1st	**20,437**	**574,762**	**260,905**	**272,215**	**283,342**	**294,269**	**304,979**	**315,455**	**325,679**	**335,632**	**345,293**	**354,644**	**363,662**	**372,324**	**380,609**	**388,491**	**395,947**	**0**	**0**	**5,588,646**
Debt coverage ratio after 1st mortgage	0.00	2.16	1.26	1.28	1.29	1.30	1.31	1.32	1.33	1.34	1.35	1.36	1.37	1.38	1.39	1.39	1.40	0.00	0.00	
Second Mortgage Loan																				
Principal Pmt. -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest Pmt. -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Loan Servicing and/or MIP Fees	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total Debt Service -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash-flow after debt service - 2nd	**20,437**	**574,762**	**260,905**	**272,215**	**283,342**	**294,269**	**304,979**	**315,455**	**325,679**	**335,632**	**345,293**	**354,644**	**363,662**	**372,324**	**380,609**	**388,491**	**395,947**	**0**	**0**	**5,588,646**
Debt coverage ratio (TIF Note only)	0.00	2.16	1.26	1.28	1.29	1.30	1.31	1.32	1.33	1.34	1.35	1.36	1.37	1.38	1.39	1.39	1.40	0.00	0.00	
Third Mortgage Loan																				
Principal Pmt. -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest Pmt. -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Loan Servicing and/or MIP Fees	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total Debt Service -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash-flow after debt service - 3rd	**20,437**	**574,762**	**260,905**	**272,215**	**283,342**	**294,269**	**304,979**	**315,455**	**325,679**	**335,632**	**345,293**	**354,644**	**363,662**	**372,324**	**380,609**	**388,491**	**395,947**	**0**	**0**	**5,588,646**
Debt coverage ratio after 3rd mortgage	0.00	2.16	1.26	1.28	1.29	1.30	1.31	1.32	1.33	1.34	1.35	1.36	1.37	1.38	1.39	1.39	1.40	0.00	0.00	
Fourth Mortgage Loan																				
Principal Pmt. -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest Pmt. -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Loan Servicing and/or MIP Fees	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total Debt Service -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash-flow after debt service - 4th	**20,437**	**574,762**	**260,905**	**272,215**	**283,342**	**294,269**	**304,979**	**315,455**	**325,679**	**335,632**	**345,293**	**354,644**	**363,662**	**372,324**	**380,609**	**388,491**	**395,947**	**0**	**0**	**5,588,646**
Debt coverage ratio after 4th mortgage	0.00	2.16	1.26	1.28	1.29	1.30	1.31	1.32	1.33	1.34	1.35	1.36	1.37	1.38	1.39	1.39	1.40	0.00	0.00	

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	0	0	TOTAL
Project Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	
Fifth Mortgage Loan																				
Principal Pmt. -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest Pmt. -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Loan Servicing and/or MIP Fees	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total Debt Service -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash-flow after debt service - 5th	**20,437**	**574,762**	**260,905**	**272,215**	**283,342**	**294,269**	**304,979**	**315,455**	**325,679**	**335,632**	**345,293**	**354,644**	**363,662**	**372,324**	**380,609**	**388,491**	**395,947**	**0**	**0**	**5,588,646**
Debt coverage ratio after 5th mortgage	0.00	2.16	1.26	1.28	1.29	1.30	1.31	1.32	1.33	1.34	1.35	1.36	1.37	1.38	1.39	1.39	1.40	0.00	0.00	
Req'd DSC (Cash needed for DSC)																				0
																				0
																				0
Cash Flow From Operations for Construction Costs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Release of Operating Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash Flow After Required Payments & Funding of Operating Reserve	**20,437**	**574,762**	**260,905**	**272,215**	**283,342**	**294,269**	**304,979**	**315,455**	**325,679**	**335,632**	**345,293**	**354,644**	**363,662**	**372,324**	**380,609**	**388,491**	**395,947**	**0**	**0**	**5,588,646**
RESERVE WITHDRAWALS																				
1 Initial Operating Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2 Capitalized ACC Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3 Capitalized Rev Deficit Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4 Capitalized Lease-Up Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5 Other Reserves	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PAYMENTS CONTINGENT ON AVAILABLE CASH-FLOW																				
1 Annual NEFAsset Management Fee	18,500	19,055	19,627	20,215	20,822	21,447	22,090	22,753	23,435	24,138	24,862	25,608	26,377	27,168	27,983	28,822	29,687	0	0	402,589
2 Incentive Management Fee	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3 Deferred Developer Fee - Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4 Deferred Developer Fee - Principal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
16 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
18 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
21 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
22 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
23 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
24 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
25 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
26 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
27 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Remaining Cash	1,937	555,707	241,278	252,000	262,520	272,823	282,889	292,703	302,244	311,493	320,431	329,035	337,285	345,156	352,626	359,669	366,260	0	0	5,186,056

Excess Cash Allocation to Distributions																				
General Partner Share @ 0.01%	0	56	24	25	26	27	28	29	30	31	32	33	34	35	35	36	37	0	0	519
Limited Partner Share @ 99.99%	1,937	555,652	241,254	251,975	262,494	272,795	282,861	292,673	302,213	311,462	320,399	329,003	337,251	345,122	352,591	359,633	366,223	0	0	5,185,538

Project Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	
Reserve Balances	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	2034	
Initial Operating Reserve		0	185,000	188,700	192,474	196,323	200,250	183,829	168,755	154,917	142,214	130,553	119,847	110,020	100,998	92,716	85,114	78,134	70,321	
Contributions to Operating Reserve	0	185,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Interest on Reserve Account	0	0	3,700	3,774	3,849	3,926	4,005	3,677	3,375	3,098	2,844	2,611	2,397	2,200	2,020	1,854	1,702	0	0	45,034
Withdrawal from Operating Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Other Use (Expense / Capitalized)	0	0	0	0	0	0	20,425	18,751	17,213	15,802	14,506	13,316	12,224	11,222	10,302	9,457	8,682	7,813		
Balance before Release	0	185,000	188,700	192,474	196,323	200,250	183,829	168,755	154,917	142,214	130,553	119,847	110,020	100,998	92,716	85,114	78,134	70,321	70,321	
Release of Operating Reserve to cash flow																				
Ending Balance	0	185,000	188,700	192,474	196,323	200,250	183,829	168,755	154,917	142,214	130,553	119,847	110,020	100,998	92,716	85,114	78,134	70,321	70,321	
	2%																			
Capitalized Replacement Reserve		925	52,390	112,318	175,211	241,181	310,344	344,539	377,719	410,021	441,573	472,492	502,890	532,870	562,528	591,955	621,235	650,449	585,404	
Interest on Reserve Account	0	17	1,048	2,246	3,504	4,824	6,207	6,891	7,554	8,200	8,831	9,450	10,058	10,657	11,251	11,839	12,425	0	0	115,002
Withdrawal from Replacement Reserve																				
Contributions to Replacement Reserve	925	51,449	58,880	60,646	62,466	64,340	66,270	68,258	70,306	72,415	74,587	76,825	79,130	81,504	83,949	86,467	89,061	0	0	
Other Use (Expense / Capitalized)	0	0	0	0	0	0	38,282	41,969	45,558	49,064	52,499	55,877	59,208	62,503	65,773	69,026	72,272	65,045	0	
Balance before Release																				
Release to cash flow																				
Ending Balance	925	52,390	112,318	175,211	241,181	310,344	344,539	377,719	410,021	441,573	472,492	502,890	532,870	562,528	591,955	621,235	650,449	585,404	585,404	
Capitalized ACC Reserve		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Contributions to Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Interest on Reserve Account	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Withdrawal from Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Other Use (Expense / Capitalized)																				
Balance before Release																				
Release of Reserve to cash flow																				
Ending Balance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	2%																			
Capitalized Rev Deficit Reserve		0	520,000	530,400	541,008	551,828	562,865	574,122	585,604	597,317	609,263	621,448	633,877	646,555	659,486	672,675	686,129	699,852	699,852	
Contributions to Reserve	0	520,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Interest on Reserve Account	0	0	10,400	10,608	10,820	11,037	11,257	11,482	11,712	11,946	12,185	12,429	12,678	12,931	13,190	13,454	13,723	0	0	179,852
Withdrawal from Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Other Use (Expense / Capitalized)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Balance before Release																				
Release of Reserve to cash flow																				
Ending Balance	0	520,000	530,400	541,008	551,828	562,865	574,122	585,604	597,317	609,263	621,448	633,877	646,555	659,486	672,675	686,129	699,852	699,852	699,852	
	2%																			
Insurance & Tax Escrow (Funding Not Req.)		0	300,000	306,000	312,120	318,362	324,730	331,224	337,849	344,606	351,498	358,528	365,698	373,012	380,473	388,082	395,844	209,720	209,720	
Interest on Reserve Account	0	0	6,000	6,120	6,242	6,367	6,495	6,624	6,757	6,892	7,030	7,171	7,314	7,460	7,609	7,762	7,917	0	0	103,761
Withdrawal from Ins & Tax Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	194,041	0	0	
Contributions to Ins & Tax Reserve	0	300,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Other Use (Expense / Capitalized)																			0	
Balance before Release																				
Release of Reserve to cash flow																				
Ending Balance	0	300,000	306,000	312,120	318,362	324,730	331,224	337,849	344,606	351,498	358,528	365,698	373,012	380,473	388,082	395,844	209,720	209,720	209,720	
	2%																			
Capitalized Lease-Up Reserve		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Contributions to Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Interest on Reserve Account	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Withdrawal from Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Other Use (Expense / Capitalized)																				
Balance before Release	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Release of Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Ending Balance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	2%																			
Other Reserves		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Contributions to Other Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Interest on Reserve Account	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Withdrawal from Other Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Other Use (Expense / Capitalized)																				
Balance before Release																				
Release of Operating Reserve to cash flow																				
Ending Balance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	2%																			

Year Placed in Service 2017

Use of Reserves Analysis

Operating Reserve	Used in yrs multiple of	5	% of balance used	10%	% of use capitalized	0%
Replacement Reserve	Used in yrs multiple of	5	% of balance used	10%	% of use capitalized	90%
Revenue Deficit Reserve	Used in yrs multiple of	20	% of balance used	50%	% of use capitalized	
Insurance & Tax Escrow Reserve	Used in yrs multiple of	15	% of balance used	50%	% of use capitalized	

		2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Use of Operating Reserve		0	0	0	0	0	0	20,425	18,751	17,213	15,802	14,506	13,316	12,224	11,222	10,302	9,457	8,682	7,813
Use of Replacement Reserve		0	0	0	0	0	0	38,282	41,969	45,558	49,064	52,499	55,877	59,208	62,503	65,773	69,026	72,272	65,045
Use of Revenue Deficit Reserve		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Use of Insurance & Tax Escrow Reserve		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	194,041	0
Total Uses of Reserves		0	0	0	0	0	0	58,708	60,719	62,771	64,865	67,005	69,193	71,432	73,725	76,075	78,483	274,995	72,858
Total Currently Expensed		0	0	0	0	0	0	24,254	22,947	21,769	20,708	19,756	18,904	18,145	17,472	16,879	16,360	209,950	14,318
Total Currently Capitalized		0	0	0	0	0	0	34,454	37,772	41,002	44,157	47,249	50,289	53,287	56,253	59,195	62,123	65,045	58,540
Cumulative Capitalized		0	0	0	0	0	0	34,454	72,226	113,228	157,385	204,634	254,923	308,210	364,463	423,659	485,782	550,827	609,367
Depreciation Taken	27.5	0	0	0	0	0	0	1,253	2,626	4,117	5,723	7,441	9,270	11,208	13,253	15,406	17,665	20,030	0
Remaining Capitalized Reserve Basis		0	0	0	0	0	0	33,201	68,346	105,231	143,665	183,473	224,492	266,572	309,571	353,361	397,820	442,835	501,375
Total Deduction for Use of Reserves		0	0	0	0	0	0	25,507	25,574	25,886	26,431	27,197	28,174	29,353	30,726	32,285	34,024	229,980	14,318

	Federal LIHTC			
	Total	Acquisition	Construction	
			100%	130%
Eligible Basis	42,565,802	0	0	42,565,802
Percentage of Cost with 130% Basis Boost	100.00%			
Res Portion of Solar Credits	0		0	0
Res Portion of Historic Rehab Credit	0		0	0
Subtotal	42,565,802	0	0	42,565,802
Less: Tax Exempt Bonds	0	0	0	0
Federal and Other Grants Off Basis	0	0	0	0
Other		0	0	0
Eligible Basis	**42,565,802**	**0**	**0**	**42,565,802**
Adjustment "Hard-to-Develop Area" or Qualified Census Tract		0.00%	100.00%	130.00%
Percentage of Historic Related Costs				
Adjusted Eligible Basis	55,335,543	0	0	55,335,543
Applicable Fraction		100.00%	100.00%	100.00%
Qualified Basis	**55,335,543**	**0**	0	**55,335,543**
Qualified Basis per Application		0	0	
Rate		3.22%	3.22%	7.52%
Annual LIHTC Amount Calculated	4,161,233	0	0	4,161,233
Actual Allocation	1,740,003	0	0	1,740,003
Used in Forecast (lessor)	1,740,003	0	0	1,740,003
Total Credits	17,400,030			

	No. of Units	Fraction	Total Sq Ft	Fraction
Low Income Apts	185	100.00%	207,100	100.00%
Market Rate Apts	0	0.00%	0	0.00%
Manager Unit	2			
TOTAL	187	100.00%	207,100	100.00%
Applicable fraction (the lesser of units or sq ft)				100.00%

50% Test	
Bond Analysis 50% Test (If Applicable)	
Total Tax Exempt Bond Proceeds	0
Add'l Const Period Bond Proceeds	
Total Project Basis	42,565,802
Bond Proceeds/Aggregate Basis	0.00%

Project Assumptions

NEF Projections_Liberty Rising Phase 2 4%.xlsm
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Project Description

Project Name	Liberty Rising Phase 2	
Limited Partnership Name	Liberty Rising Phase I, LLC	
Spreadsheet Purpose (Project Status)	Shelf	
Location		
Street Address	4751 NW 24th Court	
City	Miami	
State		FL
Zip Code	33142	
County	Miami-Dade	
Census Tract #		
Type	Urban	
Current Date	7/8/15	
Sponsor #1	Miami Redevelopment Partners, LLC	
Sponsor #1 - Tax Status	For Profit	
Sponsor #2		
Sponsor #2 - Tax Status		
Deal Source	NEF	
1 # of Residential Buildings	# Total Buildings	1
Total Number of Residential Units		256
Construction Type	New	
Target Population	Family	
Effective Tax Rate		35%
State Tax Rate (CA only)		
Rehab with Tenants in place?		N
4% or 9% credit deal?		4%
Tax exempt bond deal? (Y/N)		Y
Use Building by Building Depreciation Schedule (Y/N)		
QCT / DDA (Indicate Which)	QCT	
130% Boost (enter %, 101% - 130%)		130%
Is 3rd party buying state credits ?		N
SMT #		
Date Deal Secured		
Building Type	Multifamily	

Timing Assumptions

NEF Admission to Partnership	1/1/16
NEF Initial Funding	1/1/16
Construction Start	1/1/16
Placed in Service	12/1/16
Permanent Loan Closing	6/1/17
Projected First Credit Year	2016
Sale of Project	12/31/32

Partnership Information

Is Developer Cash Basis? (Y/N)	N	
General Partner Tax Exempt (Y/N)	N	
Co-General Partner Tax Exempt (Y/N)	N	
Lower-Tier LP Profit/Loss & Credits Share	99.99%	
Lower-Tier GP Profit/Loss & Credit Share	0.01%	
Sale Proceeds Share - LP Portion	10.00%	
Sale Proceeds Share - GP Portion	90.00%	
Deferred Developer Fee Interest Rate		
Applicable Fed. Rate (AFR)	2.74%	Jul-15
Lower-Tier LP Cash Flow Distribution Percentage	99.99%	
Length of LURA	30	

Escalators

Annual Residential Rent Increase - LIHTC	2.00%
-Subsidized	2.00%
Annual Residential Rent Increase - Mkt	2.00%
Residential Vacancy Rate - LIHTC	7.00%
-Subsidized	7.00%
-Mkt	7.00%
Annual Commercial Rent Increase	2.00%
Commercial Vacancy Rate	7.00%
Alternate escalation table being used	
Other Income Growth Rate	2.00%
Annual Expense Increase	3.00%

Reserves and Fees

	Y/N	$ Amt or % of EGI	Accrue Fee/Funding (Y/N)	Interest Earnings Rate	Growth Rate	Estimated Reserve Amount per Unit	Target Reserve Amount
Annual Funding of Replacement Reserve	Y	76,800		2.00%	3.00%	$300	
Annual Funding of Operating Reserve				2.00%	3.00%		
Annual Funding of Rev Deficit Reserve				2.00%	3.00%		
Annual NEFAsset Management Fee	Y	5,000		2.00%	3.00%		
Annual Partnership Mgmt Fee to GP	Y	7,500		2.00%	3.00%		
Management Incentive Fee							
Annual Funding of Ins & Tax Escrow				2.00%	3.00%		
Annual Funding of Other Reserves				2.00%	3.00%		

Project Assumptions

NEF Projections_Liberty Rising Phase 2 4%.xlsm
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Tax Credit Information				
Acquisition Credit Rate	3.22%	Date	7/1/15	
Construction / Rehab Credit Rate	7.52%	Date	7/1/15	
Credit Rate Locked-In? (Y/N)	N	Date		
Annual Tax Credit frm Tax Credit Res	$2,332,091		Year of allocation	2015
Annual Tax Credit - 2nd year allocation			Elected set-aside	
Total Annual Tax Credit Allocation	$2,332,091		($3,236,446)	Unallocated
Total Annual Rehab Credit Allocated	$2,332,091			
Total Annual Acq Credit Allocated	$0			
Total LIHTC Basis+Land+Commercial	56,961,308			
10% Carryover Test Required (Y/N)	N			
Due Date of 10% Carryover				
Eligible for Solar Credits? (Y/N)	N			
Eligible for Acquisition Credit? (Y/N)	N			
Eligible for Cal State Tax Credit? (Y/N)	N			
Tax Credit Allocated				
Eligible for State LIHTC Credit? (Y/N)	N			
Tax Credit Allocated				
State LIHTC Credit - Number of Years				
Eligible for Historic Rehab Credit? (Y/N)	N			
Eligible for State Historic Tax Credit? (Y/N)	N		Number of Years	
State Historic Credit Percentage				

Other Annual Income	
Laundry	15,360
Vending	
Other Income	
TOTAL	15,360

Is 168 election required

Tax Exempt Bond Financing	
Bond Issuer	
Credit Enhancement Type	
Enhancement Provided by	
Bond Purchaser:	
Date of Bond Issuance	
Are These Draw Down Bonds	

Peredevelopment loan

NEF Regional Team:	
VP Originations	Tony Lyons
VP Supportive Housing	
Originations Manager	Sandra Seals
Originations Analyst	
VP Project Management	
Project Manager	
Constructions Risk Manager	
VP Asset Management	
Asset manager	

Project Characteristics Choose all that apply

# Bdrms	# Bath rooms	Description	# Units	Median Income Targeted	Description of Units	Developer Rent	NEF LIHTC Rent	HUD FMR	S8 Pymt Standard	Tenant Pd Utility	Market Units Rent	Average Market Rent	During Contract	After Contract	Subsidy Type	Term (yrs)	Stressed Term (yrs)	Monthly Comm Income	Total Monthly Income	Stressed Income Escalator	Sq Ft / Unit	Total Sq Ft	Max LIHTC Rent @ target AMI	% of Rent Below LIHTC Max	After Contract Rent % Below LIHTC Max	Rent As Max % of Income	% of AMI of After Contract Rents	% of Rent Below Avg Market Rent
1	1.0	LIHTC Subsidized	5	50%						66			497	497	ction 8 - PHA Project Based Vouch	15	5		2,485	2.00%	650	3,250	635	11%	11%	60.2%	60%	#DIV/0!
1	1.0	LIHTC Subsidized	3	50%						66.00			914	914	ction 8 - PHA Project Based Vouch	15	5		2,742	2.00%	650	1,950	635	-54%	-54%	104.7%	105%	#DIV/0!
1	2.0	LIHTC	23	60%		696	696			66.00									16,008	2.00%	650	14,950	762	0%		81.4%		#DIV/0!
2	2.0	LIHTC Subsidized	48	50%						84.00			603	603	ction 8 - PHA Project Based Vouch	15	5		28,944	2.00%	1,100	52,800	762	10%	10%	61.2%	61%	#DIV/0!
2	2.0	LIHTC Subsidized	30	50%						84.00			1,173	1,173	ction 8 - PHA Project Based Vouch	15	5		35,190	2.00%	1,100	33,000	762	-65%	-65%	112.0%	112%	#DIV/0!
2	2.0	LIHTC	44	60%		831	831			84.00			1,648	1,648	ction 8 - PHA Project Based Vouch	15	5		109,076	2.00%	1,100	48,400	914	-90%	-90%	154.3%	154%	#DIV/0!
3	2.0	LIHTC Subsidized	17	50%						105.00			771	771	ction 8 - PHA Project Based Vouch	15	5		13,107	2.00%	1,250	21,250	880	0%	0%	67.5%	68%	#DIV/0!
3	2.0	LIHTC Subsidized	14	50%						105.00			1,616	1,616	ction 8 - PHA Project Based Vouch	15	5		22,624	2.00%	1,250	17,500	880	-96%	-96%	132.6%	133%	#DIV/0!
3	2.0	LIHTC	28	60%		951	951			105.00									26,628	2.00%	1,250	35,000	1,056	0%		81.4%		#DIV/0!
4	2.0	LIHTC Subsidized	14	50%						137.00			902	902	ction 8 - PHA Project Based Vouch	15	5		12,628	2.00%	1,350	18,900	982	-6%	-6%	71.8%	72%	#DIV/0!
4	2.0	LIHTC Subsidized	16	50%						137.00			1,888	1,888	ction 8 - PHA Project Based Vouch	15	5		30,208	2.00%	1,350	21,600	982	-106%	-106%	139.9%	140%	#DIV/0!
5	2.0	LIHTC Subsidized	13	50%						137.00			1,037	1,037	ction 8 - PHA Project Based Vouch	15	5		13,481	2.00%	1,450	18,850	1,083	-8%	-8%	73.5%	74%	#DIV/0!
2	2.0	Manager	1	50%															0	2.00%	1,100	1,100				0.0%		#DIV/0!
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Total Units	256
Commercial Units	0
Residential Units	256
Manager Units	1

Percent Residential 100.00%

BE Occupancy 73.61%

http://www.huduser.org/portal/datasets/mtsp.html

HUD Income	
Median Income / Family of 4	49,900
As Of (Date)	3/6/15
Location	Miami Dade County
AMI source	HUD

Date AMI checked 7/6/15

Rent floor election year

	LIHTC	Market	Commercial	Subsidized	TOTAL	Garages	Day Care Bldg
Total Units	96	0	0	160	256		
Monthly Rent	79,200	0	0	233,921	313,121		
Annual Rent	950,400	0	0	2,807,052	3,757,452	0	0
Total RentableSq Ftg	98,350	0	0	189,100	287,450		

0	Total Commercial Sq Ft
	Is Commercial Space a Master Lease (Y/N)
0	Commercial Rent per Sq Ft
	Type of Lease NN or NNN)
	Is Commercial Space Eligible for Historic Credits

	Utilities	Source	Date
Tenant Paid	Gas & Electric	PHCD	
Owner Paid	Trash and Water	PHCD	

AMI Analysis		% Change
2006	55,900	
2007	45,200	-19.14%
2008	49,200	8.85%
2009	50,800	3.25%
2010	52,200	2.76%
2011	51,900	-0.57%
2012	52,600	1.35%
2013	49,000	-6.84%
2014	48,400	-1.22%
2015	49,900	3.10%
2016		0.00%
		-0.94%

Source: huduser.org

4 person very low income 33,850

Max LIHTC Income and Rents

# BDRMS	Family Size	Adj Factor	50%		60%									
			Income	Rent	Income	Rent	Income	Rent	Income	Rent	Income	Rent	Income	Rent
0	1	0.70	23,695	592	28,434	711	0	0	0	0	0	0	0	0
1	1.5	0.75	25,388	635	30,465	762	0	0	0	0	0	0	0	0
	2	0.80	27,080	677	32,496	812	0	0	0	0	0	0	0	0
2	3	0.90	30,465	762	36,558	914	0	0	0	0	0	0	0	0
	4	1.00	33,850	846	40,620	1,016	0	0	0	0	0	0	0	0
3	4.5	1.04	35,204	880	42,245	1,056	0	0	0	0	0	0	0	0
	5	1.08	36,558	914	43,870	1,097	0	0	0	0	0	0	0	0
4	6	1.16	39,266	982	47,119	1,178	0	0	0	0	0	0	0	0
	7	1.24	41,974	1,049	50,369	1,259	0	0	0	0	0	0	0	0
5	7.5	1.28	43,328	1,083	51,994	1,300	0	0	0	0	0	0	0	0
	8	1.32	44,682	1,117	53,618	1,340	0	0	0	0	0	0	0	0

1.60

% of funding	Required Loans / Source of Funds / Lender Name	Principal	Debt / Unit	Payment Type	Interest Rate	Perm Loan Closing Date	1st Pay Date	Amort Yrs	Term Yrs	Recourse Y/N)	Sponsor/Related Party	Is lender related to investor	Source	Conversion Requirements
29.54%	First Mortgage	18,750,000	73,242	Amortizing	6.25%	6/1/17	7/1/17	35	35	N	N	N	Private Lender	
0.00%			0											
0.00%			0											
0.00%			0											
0.00%			0											
		18,750,000	**73,242**											
	Contingent Loans / Lender Name													
14.10%	County General Obligation Bonds	8,948,163	34,954	Amortizing	2.37%	1/1/16	2/1/16	35	35	N	N		County Loan Sources	
2.38%	PHCD Documentary Surtax Fund	1,510,324	5,900	Amortizing	2.37%	1/1/16	2/1/16	35	35	N	N		County Loan Sources	
3.17%	PHCD CFFP	2,013,766	7,866	Amortizing	2.37%	1/1/16	2/1/16	35	35	N	N		County Loan Sources	
0.21%	Other Public and Private Funds	131,271	513	Amortizing	2.37%	1/1/16	2/1/16	35	35	N	N		Other	
7.88%	FHFC SAIL Loan	5,000,000	19,531	Simple	0.00%	1/1/16	2/1/16	35	35	N	N		State Loans	
1.27%	FHFC ELI Loan	805,202	3,145	Simple	0.00%	1/1/16	2/1/16	35	35	N	N		State Loans	
1.03%	RAD Subsidy During Construction	654,494	2,557	Amortizing	2.37%	1/1/16	2/1/16	35	35	N	N		Other	
0.00%			0											
	Subtotal Contingent Loans	**19,063,220**	**74,466**											

	Grants		Comments	Fed Grant ? (Y/N)
0.00%				
0.00%				
	Subtotal Grants	**0**		

	Other Sources		Comments			
0.00%	State Tax Equity Provider	0				
0.00%	Cash Flow from Operations	0	Percentage of cash flow from operations to fund deal	0%	No of Yrs	2
0.00%						
0.00%						
0.00%						
0.00%						
0.00%	GP Capital	100				
0.00%	Developer Fee via Cash Flow	0	0 Year DDF Paid Off			
40.42%	NEF Equity	25,650,436	DDF paid on RA page			
	Subtotal Other Sources	**25,650,536**				
100.00%	**Total Sources**	**63,463,756**				

Construction Financing

Construction Lender	Principal	Interest Rate	Conversion Date	Maturity Date	Comments	Bond Financing (Y/N)
Construction Loan	30,100,000	4.75%	6/1/17	6/1/17		

Development Costs

Uses of Funds		Total	Per Sq Ft	Per Unit	Depreciable Basis	NC/Rehab Eligible Basis	Acquisition Eligible Basis	Commercial Costs	Non-Depreciable	Amortized	Yrs	Expensed	Historic Basis	Bond Basis	Check	Comments
Land	0%		0	0	0	X	0	0	0	0		0	X	0	0	
Building	0		0	0	0	X	0	0	0	0	0	0	X	0	0	
Acquisition Legal Costs			0	0	0	X	0	0	0	0		0	X	0	0	
Other acquisition costs - holding costs			0	0	0	X	0	0	0	0		0	X	0	0	
Other acquisition costs			0	0	0	X	0	0	0	0		0	X	0	0	
Off-Site Improvements		2,560,000	9	10,000	0	X	0	0	2,560,000	0		0	X	0	0	
Site Work - Bldg Life Depr (Utility & Sewer Lines)			0	0	0	0	0	0	0	0		0	X	0	0	
Site Work - Non Depr (Grading, Demolition, Land Clearing)		1,238,016	4	4,836	0	0	0	0	1,238,016	0		0	X	0	0	
Site Work - 15 Year Depr (Landscaping, fine grading, sidewalks)			0	0	0	0	0	0	0	0		0	X	0	0	
Basic Construction Retention %		31,682,161	110	123,758	31,682,161	31,682,161	0	0	0	0		0	0	31,682,161	0	
Personal Property			0	0	0	0	0	0	0	0		0		0	0	
Gen. Req., Builder's OH & Profit	14.01%	4,612,501	16	18,018	4,612,501	4,612,501	0	0	0	0		0	0	4,612,501	0	
Other Construction Hard Costs - Solar			0	0	0	0	0	0	0	0		0	0	0	0	
Other Construction Hard Costs			0	0	0	0	0	0	0	0		0	0	0	0	
Other Construction Hard Costs			0	0	0	0	0	0	0	0		0	0	0	0	
CONSTRUCTION CONTINGENCY	4.42%	1,774,039	6	6,930	1,774,039	1,774,039	0	0	0	0		0	0	1,774,039	0	
Payment and Performance Bond		354,808	1	1,386	354,808	354,808	0	0	0	0		0	0	354,808	0	
Architect/Design		940,000	3	3,672	940,000	940,000	0	0	0	0		0	0	940,000	0	
Construction Management/Architect Supervision		260,000	1	1,016	260,000	260,000	0	0	0	0		0	0	260,000	0	
Construction Permits and Fees			0	0	0	0	0	0	0	0		0	0	0	0	
Lender or NEF Inspection fee		16,000	0	63	16,000	16,000	0	0	0	0		0	0	16,000	0	
Engineering		510,000	2	1,992	510,000	510,000	0	0	0	0		0	0	510,000	0	
Environmental Reporting and Abatement		25,000	0	98	25,000	25,000	0	0	0	0		0	0	25,000	0	
Geotechnical Study/Soil Borings		70,000	0	273	70,000	70,000	0	0	0	0		0	0	70,000	0	
Other Construction Soft Costs		75,000	0	293	75,000	75,000	0	0	0	0		0	0	75,000	0	
Other Construction Soft Costs			0	0	0	0	0	0	0	0		0	0	0	0	
Construction Loan Origination Fee		439,074	2	1,715	439,074	439,074	0	0	0	0	20	0	0	439,074	0	
CONSTRUCTION LOAN INTEREST IN BASIS	1,623,417	714,875	2	2,792	714,875	714,875	0	0	0	0		0	0	714,875	0	
CONSTRUCTION LOAN INTEREST EXPENSED		714,875	2	2,792	0	0	0	0	0	0		714,875	0	0	0	
Construction Period RE Taxes		60,000	0	234	60,000	60,000	0	0	0	0		0	0	60,000	0	
Construction Period Insurance		650,000	2	2,539	650,000	650,000	0	0	0	0		0	0	650,000	0	
Negative Arbitrage, costs of issuance, LOC fees		2,382,666	8	9,307	2,382,666	2,382,666	0	0	0	0		0	0	2,382,666	0	
Appraisal		13,000	0	51	13,000	13,000	0	0	0	0		0	0	13,000	0	
Market Study		12,000	0	47	12,000	12,000	0	0	0	0		0	0	12,000	0	
Survey		30,000	0	117	30,000	30,000	0	0	0	0		0	0	30,000	0	
Predevelopment Loan Interest and Fees			0	0	0	0	0	0	0	0	15	0	0	0	0	
Consulting Fees			0	0	0	0	0	0	0	0	15	0	0	0	0	
"Project" Bridge Loan Interest in Basis			0	0	0	0	0	0	0	0		0	0	0	0	
Loan Origination Fee - Permanent			0	0	0	0	0	0	0	0	35	0	0	0	0	
Title & Recording		390,000	1	1,523	351,000	351,000	0	0	39,000	0	10	0	0	351,000	0	
Legal - Syndication/Organization		0	0	0	0	0		0	0	0	15	0	0	0	0	
Legal - Bond/Perm Loan			0	0	0	0	0	0	0	0	35	0	0	0	0	
Legal - Construction		255,000	1	996	255,000	255,000	0	0	0	0		0	0	255,000	0	
Due Diligence - NEF		52,000	0	203	0	0	0	0	52,000	0		0	0	0	0	
Tax Credit Allocation Fee		186,567	1	729	0	0	0	0	0	186,567	10	0	0	0	0	
Tax Credit Compliance Fees		129,581	0	506	0	0	0	0	0	129,581	10	0	0	0	0	
Lease-up and Marketing Costs		273,712	1	1,069	0	0	0	0	0	273,712	1	0	0	0	0	
Accounting/Post Const. Audit		35,000	0	137	0	0	0	0	0	0		35,000	0	0	0	
Soft Cost Contingency		456,247	2	1,782	456,247	456,247	0	0	0	0		0	0	456,247	0	
Other Tax Credit Fees		322,933	1	1,261	322,933	322,933	0	0	0	0	2	0	0	322,933	0	
Relocation		1,172,073	4	4,578	1,172,073	1,172,073	0	0	0	0		0	0	1,172,073	0	
Utility Tap Fees		250,000	1	977	250,000	250,000	0	0	0	0		0	0	250,000	0	
Developer Fee - Construction	100%	9,532,931	33	37,238	9,532,931	9,532,931	0	0	0	0		0	0	9,532,931	0	
Developer Fee - Acquisition	0%		0	0	0		0	0	0	0		0	0	0	0	
Developer Fee - Other			0	0	0	0	0	0	0	0		0	0	0	0	
Initial Operating Reserve	1.08	250,000	1	977	0	0	0	0	250,000	0		0	X	0	0	
Capitalized Replacement Reserve	0		0	0	0	0	0	0	0	0		0	X	0	0	
Capitalized ACC Reserve			0	0	0	0	0	0	0	0		0	X	0	0	
Capitalized Rev Deficit Reserve	3	720,000	3	2,813	0	0	0	0	720,000	0		0	X	0	0	
Capitalized Ins & Tax Escrow		300,000	1	1,172	0	0	0	0	300,000	0		0	X	0	0	
Capitalized Lease-Up Reserve			0	0	0	0	0	0	0	0		0	X	0	0	
Other Reserves			0	0	0	0	0	0	0	0		0	X	0	0	
Other Reserves			0	0	0	0	0	0	0	0		0	X	0	0	
Other Reserves				0	0	0	0	0	0	0		0	X	0	0	
Accrued Contingent Loan Interest		311,104			0	0	0	0	0	0		0	0	0	311,104	
Total Uses		63,460,059	221	247,891	56,961,308	56,961,308	0	0	5,159,016	589,860		749,875	0	56,961,308	0	

Sources/Uses Surplus (Gap)	3,697

Lease-Up Schedule / Credit Delivery

Number of Residential Units	256	First Building Placed in Service	12/1/16	Acquisition Credits Allocated/yr	0
Number of Tax Credit Units	256	Last Building Placed in Service	12/1/16	LIHTCs Allocated @ 100%/yr	0
Number of Market Units	0	Construction Contract Completion Date		LIHTCs Allocated @ 130%/yr	2,332,091
Commercial Square Footage	0			Cal State Credits Allocated @ 100%	0
Square Footage of Building	287,450			Cal State Credits Allocated @ 130%	0
Start of Construction	1/1/16			State Credits Allocated	0
Completion/CofO/Placed in Service	12/1/16			Historic Credits Allocated	0
Start of Leasing/Move-in Date	12/1/16	Absorption (avg units/month) per market study	50	State Historic Credits Allocated	0
100% Lease-Up/Qualified Occupancy	4/1/17	Absorption (avg units/month) per model	51	Solar Credits	0
Start of QO Tax Credit Units PIS	12/1/2016				
Construction Period	11				

Year	Tax Credit Units Leased (Income)	Cumulative TC Units Leased	Tax Credit Units Leased (Credits)	Non TC Units Leased	Cumulative Non TC Units Leased	Commercial Sq Ft Leased	Tax Credit Rental Income	Commercial Income	Non Tax Credit Rental Income	Total Rental Income	Rehab Tax Credits	Acq Tax Credits	Total Tax Credits
Jan-16		0			0		0	0	0	0	0	0	0
Feb-16		0			0		0	0	0	0	0	0	0
Mar-16		0			0		0	0	0	0	0	0	0
Apr-16		0			0		0	0	0	0	0	0	0
May-16		0			0		0	0	0	0	0	0	0
Jun-16		0			0		0	0	0	0	0	0	0
Jul-16		0			0		0	0	0	0	0	0	0
Aug-16		0			0		0	0	0	0	0	0	0
Sep-16		0			0		0	0	0	0	0	0	0
Oct-16		0			0		0	0	0	0	0	0	0
Nov-16		0			0		0	0	0	0	0	0	0
Dec-16	51	51	51		0		62,380	0	0	62,380	38,716	0	38,716
TOTAL	**51**	**51**	**51**	**0**	**0**		**62,380**	**0**	**0**	**62,380**	**38,716**	**0**	**38,716**

Year	Tax Credit Units Leased (Income)	Cumulative Tax Credit Units Leased	Tax Credit Units Leased (Credits)	Non Tax Credit Units Leased	Cumulative Non Tax Credit Units	Commercial Sq FT Leased	Tax Credit Rental Income	Commercial Income	Non Tax Credit Rental Income	Total Rental Income	Rehab Tax Credits	Acq Tax Credits	Total Tax Credits
Jan-17	51	102	51		0		124,759	0	0	124,759	464,596	0	464,596
Feb-17	51	153	51		0		187,139	0	0	187,139	425,880	0	425,880
Mar-17	51	204	51		0		249,518	0	0	249,518	387,164	0	387,164
Apr-17	52	256	52		0		313,121	0	0	313,121	355,279	0	355,279
May-17		256			0		313,121	0	0	313,121	0	0	0
Jun-17		256			0		313,121	0	0	313,121	0	0	0
Jul-17		256			0		313,121	0	0	313,121	0	0	0
Aug-17		256			0		313,121	0	0	313,121	0	0	0
Sep-17		256			0		313,121	0	0	313,121	0	0	0
Oct-17		256			0		313,121	0	0	313,121	0	0	0
Nov-17		256			0		313,121	0	0	313,121	0	0	0
Dec-17		256			0		313,121	0	0	313,121	0	0	0
Credits from QO Units PIS in 2016											**464,596**	**0**	**464,596**
TOTAL	**205**	**256**	**205**	**0**	**0**		**3,379,505**	**0**	**0**	**3,379,505**	**2,097,515**	**0**	**2,097,515**

Lease-Up Schedule / Credit Delivery

Year	Tax Credit Units Leased (Income)	Cumulative Tax Credit Units Leased	Tax Credit Units Leased (Credits)	Non Tax Credit Units Leased	Cumulative Non Tax Credit Units	Commercial Sq FT Leased	Tax Credit Rental Income	Commercial Income	Non Tax Credit Rental Income	Total Rental Income	Rehab Tax Credits	Acq Tax Credits	Total Tax Credits
Jan-18		256			0		313,121	0	0	313,121	0	0	0
Feb-18		256			0		313,121	0	0	313,121	0	0	0
Mar-18		256			0		313,121	0	0	313,121	0	0	0
Apr-18		256			0		313,121	0	0	313,121	0	0	0
May-18		256			0		313,121	0	0	313,121	0	0	0
Jun-18		256			0		313,121	0	0	313,121	0	0	0
Jul-18		256			0		313,121	0	0	313,121	0	0	0
Aug-18		256			0		313,121	0	0	313,121	0	0	0
Sep-18		256			0		313,121	0	0	313,121	0	0	0
Oct-18		256			0		313,121	0	0	313,121	0	0	0
Nov-18		256			0		313,121	0	0	313,121	0	0	0
Dec-18		256			0		313,121	0	0	313,121	0	0	0
Credits from QO Units PIS in 2016											**464,596**	**0**	**464,596**
Credits from QO Units PIS in 2017											**1,867,495**	**0**	**1,867,495**
TOTAL	**0**	**256**	**0**	**0**	**0**		**3,757,452**	**0**	**0**	**3,757,452**	**2,332,091**	**0**	**2,332,091**
		units agree	units agree		units agree	sq ft agrees							

	Credits	Price/Credit	Equity
Federal LIHTC Credits	23,318,578	1.100	25,650,436
Federal Historic Tax Credits	0		0
State LIHTC Credits Purchased by NEF	0		0
State Historic Credits Purchased by NEF	0		0
Solar Credits	0		0
Total Limited Partner Equity			**25,650,436**

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State LIHTC Credits Purchased by a 3rd Party		
3rd Party Buyer		
State Historic Credits Purchased by a 3rd Party		
3rd Party Buyer		
Total		**25,650,436**

Equity Installments

Payment	Project Milestone	Date	Qtr Paid	Development Costs Percent	Project Cost	Developer Fee Percent	Developer Fee	Total Reserves Payment	NEF Reserves	Total Equity Paid	Total Equity Percent	3rd Party Equity	NEF and 3rd Party EQUITY
1	NEF Closing/Construction Start	1/1/16	3/31/16	10.00%	1,484,750	25.00%	2,383,233		0	3,867,983	15.08%	0	3,867,983
2	25% Construction Complete	4/1/16	6/30/16	15.00%	2,227,126	15.00%	1,429,940		0	3,657,065	14.26%	0	3,657,065
3	50% Construction Complete	8/1/16	9/30/16	15.00%	2,227,126	15.00%	1,429,940		0	3,657,065	14.26%	0	3,657,065
4	75% Construction Complete	10/1/16	12/31/16	15.00%	2,227,126	15.00%	1,429,940		0	3,657,065	14.26%	0	3,657,065
5	100% Construction Complete/ Placed in Service/ CO	12/1/16	12/31/16	20.00%	2,969,501	25.00%	2,383,233		0	5,352,734	20.87%	0	5,352,734
6	Stabilization / Conversion / Final Cost Cert / 8609	6/1/17	6/30/17	25.00%	3,711,876	5.00%	476,647	1,270,000	1,270,000	5,458,523	21.28%	0	5,458,523
7	Tax Return				0		0		0	0	0.00%	0	0
8					0		0		0	0	0.00%	0	0
9					0		0		0	0	0.00%	0	0
10					0		0		0	0	0.00%	0	0
TOTAL				100.00%	14,847,505	100.00%	9,532,931	1,270,000	1,270,000	25,650,436	100.00%	0	25,650,436
					14,847,505					Equity Agrees		Equity Agrees	

Developer Fee	
Maximum Deferred Fee Percentage	50.00%
Developer Fee	9,532,931
From Cash Flow	0
From Equity	9,532,931
Percentage of Fee Deferred	0.00%

Operating Expenses

	Units 256	Annual Expense	Per Unit	Escalator	Comments	calculated property mgmt fee	alternate property mgmt fee calculation
General & Administrative	Property Management Fee	81,763	319	3.00%		2.38%	
	Misc. Prop. Mgmt. Fees	161,984	633	3.00%			
	Accounting/Auditing		0	3.00%			81,763
	Legal		0	3.00%			
	Office Supplies & Expense		0	3.00%			
	Telephone Answering Service		0	3.00%			
	Other - LIHTC Compliance Monitoring		0	3.00%			
	Other - Misc. Admin.		0	3.00%			
		243,747	952				
Payroll & Related	Administrative Payroll		0	3.00%			
	Maintenance Payroll		0	3.00%			
	Repair Payroll		0	3.00%			
	Payroll Taxes		0	3.00%			
	Fringe Benefits		0	3.00%			
	Other		0	3.00%			
		0	0				
						Owner Paid	Tenant Paid
Utilities	Electric (Common Area)		0	3.00%			
	Gas/Fuel Oil/Coal (Common Area)		0	3.00%			
	Water & Sewer		0	3.00%			
	Electric (for Units)		0	3.00%			
	Gas/Fuel Oil/Coal (for Units)		0	3.00%			
	Other		0	3.00%			
		0	0				
Maintenance & Repair	Cleaning (Janitorial)		0	3.00%			
	Elevator Maintenance		0	3.00%			
	Exterminating		0	3.00%			
	Fire Alarm Inspection		0	3.00%			
	Grounds Maintenance		0	3.00%			
	Grounds Maintenance Contract		0	3.00%			
	Painting & Decorating/Make-ready		0	3.00%			
	Repairs		0	3.00%			
	Repairs Contract		0	3.00%			
	Security		0	3.00%			
	Supplies		0	3.00%			
	Trash Removal/Snow Removal		0	3.00%			
	Vehicle/Equipment Maintenance		0	3.00%			
	Other - Misc Ops and Maint Expenses	1,124,247	4,392	3.00%			
	Reserves		0	3.00%			
		1,124,247	4,392				
Market & Leasing	Advertising		0	3.00%			
	Credit Investigations		0	3.00%			
	Leasing Fees		0	3.00%			
	Other		0	3.00%			
		0	0				
Taxes & Insurance	Insurance - Liability		0	3.00%			
	Other Taxes, Licenses & Fees		0	3.00%			
	Real Estate Taxes		0	3.00%			
	Property/Liability (Hazard)		0	3.00%			
	Other		0	3.00%			
		0	0				
	Total Annual Operating Budget	1,367,994			Is the project providing a washer/dryer in unit(s)	Y/N	
					Which units are provided w/washer & dryer		
	Annual Operating Budget per Unit (PUPA)	**5,344**					

Cash Flow

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	Sale 2032	0	0	TOTAL
Project Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	
% of Year in Operation	1.66%	89.94%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	0.00%	0.00%	
LIHTC and Subsidized Vacancy Override																				
INCOME																				
Gross Rent Paid - LIHTC Units 2.00%	15,778	854,803	988,796	1,008,572	1,028,744	1,049,318	1,070,305	1,091,711	1,113,545	1,135,816	1,158,532	1,181,703	1,205,337	1,229,444	1,254,033	1,279,113	1,304,696	0	0	17,970,245
Gross Rent Paid - Sub Units Increase 2.00%	46,601	2,524,702	2,920,457	2,978,866	3,038,443	3,099,212	3,161,196	3,224,420	3,288,909	3,354,687	3,421,781	3,490,216	3,560,021	3,631,221	3,703,846	3,463,096	0	0	0	48,907,675
Gross Rent Paid - After Contract 2.00%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	314,827	3,853,481	0	0	4,168,308
Market Rent	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Gross Residential Income	**62,380**	**3,379,505**	**3,909,253**	**3,987,438**	**4,067,187**	**4,148,531**	**4,231,501**	**4,316,131**	**4,402,454**	**4,490,503**	**4,580,313**	**4,671,919**	**4,765,358**	**4,860,665**	**4,957,878**	**5,057,036**	**5,158,176**	**0**	**0**	71,046,228
LIHTC Vacancy @ 7.0%	(1,104)	(59,836)	(69,216)	(70,600)	(72,012)	(73,452)	(74,921)	(76,420)	(77,948)	(79,507)	(81,097)	(82,719)	(84,374)	(86,061)	(87,782)	(89,538)	(91,329)	0	0	(1,257,917)
Subsidized Residential Vacancy @ 7.0%	(3,262)	(176,729)	(204,432)	(208,521)	(212,691)	(216,945)	(221,284)	(225,709)	(230,224)	(234,828)	(239,525)	(244,315)	(249,201)	(254,185)	(259,269)	(264,455)	(269,744)	0	0	(3,715,319)
Market Residential Vacancy @ 7.0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Income / yr @ 2% increase / yr	255	14,091	15,981	16,300	16,626	16,959	17,298	17,644	17,997	18,357	18,724	19,098	19,480	19,870	20,267	20,673	21,086	0	0	290,705
Other Income Vacancy @ 7.0%	(18)	(986)	(1,119)	(1,141)	(1,164)	(1,187)	(1,211)	(1,235)	(1,260)	(1,285)	(1,311)	(1,337)	(1,364)	(1,391)	(1,419)	(1,447)	(1,476)	0	0	(20,349)
Commercial @ 2% increase / yr	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Commercial Vacancy @ 7.0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Income																				0
Total Effective Gross Income from Project	**58,250**	**3,156,045**	**3,650,467**	**3,723,477**	**3,797,946**	**3,873,905**	**3,951,383**	**4,030,411**	**4,111,019**	**4,193,239**	**4,277,104**	**4,362,646**	**4,449,899**	**4,538,897**	**4,629,675**	**4,722,269**	**4,816,714**	**0**	**0**	66,343,347
EXPENSES																				
GENERAL & ADMINISTRATIVE	4,047	225,806	258,591	266,349	274,339	282,570	291,047	299,778	308,771	318,035	327,576	337,403	347,525	357,951	368,689	379,750	391,142	0	0	5,039,368
PAYROLL & RELATED	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
UTILITIES	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
MAINTENANCE & REPAIR	18,664	1,041,498	1,192,714	1,228,495	1,265,350	1,303,310	1,342,410	1,382,682	1,424,162	1,466,887	1,510,894	1,556,221	1,602,907	1,650,995	1,700,524	1,751,540	1,804,086	0	0	23,243,341
MARKETING & LEASING	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TAXES & INSURANCE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
OTHER EXPENSES																				0
Total Expenses	**22,711**	**1,267,305**	**1,451,305**	**1,494,844**	**1,539,689**	**1,585,880**	**1,633,456**	**1,682,460**	**1,732,934**	**1,784,922**	**1,838,470**	**1,893,624**	**1,950,432**	**2,008,945**	**2,069,214**	**2,131,290**	**2,195,229**	**0**	**0**	28,282,709
Replacement Reserve (Funding Req.) @$300	1,275	71,147	81,477	83,921	86,439	89,032	91,703	94,454	97,288	100,207	103,213	106,309	109,498	112,783	116,167	119,652	123,241	0	0	1,587,808
Total Expenses including Replacement Reserve	**23,986**	**1,338,452**	**1,532,782**	**1,578,765**	**1,626,128**	**1,674,912**	**1,725,160**	**1,776,914**	**1,830,222**	**1,885,128**	**1,941,682**	**1,999,933**	**2,059,931**	**2,121,729**	**2,185,381**	**2,250,942**	**2,318,470**	**0**	**0**	29,870,518
NET OPERATING INCOME	**34,264**	**1,817,593**	**2,117,685**	**2,144,711**	**2,171,818**	**2,198,993**	**2,226,224**	**2,253,496**	**2,280,797**	**2,308,111**	**2,335,422**	**2,362,713**	**2,389,968**	**2,417,168**	**2,444,295**	**2,471,327**	**2,498,244**	**0**	**0**	36,472,830
ECR	2.43	2.36	2.38	2.36	2.34	2.31	2.29	2.27	2.25	2.22	2.20	2.18	2.16	2.14	2.12	2.10	2.08	0.00	0.00	
Req'd ECR 1.05 Cash needed for ECR	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
DEBT SERVICE (MUST-PAY))																				
First Mortgage Loan																				
Principal Pmt. - First Mortgage	0	75,501	158,248	168,427	179,260	190,791	203,063	216,124	230,026	244,821	260,569	277,329	295,167	314,153	334,360	355,866	378,756	0	0	3,882,459
Interest Pmt. - First Mortgage	0	584,960	1,162,674	1,152,495	1,141,662	1,130,131	1,117,859	1,104,798	1,090,897	1,076,101	1,060,354	1,043,593	1,025,755	1,006,769	986,562	965,056	942,166	0	0	16,591,833
Loan Servicing and/or MIP Fees	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total Debt Service - First Mortgage	0	660,461	1,320,922	1,320,922	1,320,922	1,320,922	1,320,922	1,320,922	1,320,922	1,320,922	1,320,922	1,320,922	1,320,922	1,320,922	1,320,922	1,320,922	1,320,922	0	0	20,474,292
Cash-flow after debt service - 1st	**34,264**	**1,157,132**	**796,763**	**823,789**	**850,896**	**878,071**	**905,301**	**932,574**	**959,875**	**987,189**	**1,014,500**	**1,041,791**	**1,069,046**	**1,096,246**	**1,123,373**	**1,150,405**	**1,177,322**	**0**	**0**	**15,998,537**
Debt coverage ratio after 1st mortgage	0.00	2.75	1.60	1.62	1.64	1.66	1.69	1.71	1.73	1.75	1.77	1.79	1.81	1.83	1.85	1.87	1.89	0.00	0.00	
Second Mortgage Loan																				
Principal Pmt. -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest Pmt. -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Loan Servicing and/or MIP Fees	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total Debt Service -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash-flow after debt service - 2nd	**34,264**	**1,157,132**	**796,763**	**823,789**	**850,896**	**878,071**	**905,301**	**932,574**	**959,875**	**987,189**	**1,014,500**	**1,041,791**	**1,069,046**	**1,096,246**	**1,123,373**	**1,150,405**	**1,177,322**	**0**	**0**	**15,998,537**
Debt coverage ratio (TIF Note only)	0.00	2.75	1.60	1.62	1.64	1.66	1.69	1.71	1.73	1.75	1.77	1.79	1.81	1.83	1.85	1.87	1.89	0.00	0.00	
Third Mortgage Loan																				
Principal Pmt. -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest Pmt. -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Loan Servicing and/or MIP Fees	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total Debt Service -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash-flow after debt service - 3rd	**34,264**	**1,157,132**	**796,763**	**823,789**	**850,896**	**878,071**	**905,301**	**932,574**	**959,875**	**987,189**	**1,014,500**	**1,041,791**	**1,069,046**	**1,096,246**	**1,123,373**	**1,150,405**	**1,177,322**	**0**	**0**	**15,998,537**
Debt coverage ratio after 3rd mortgage	0.00	2.75	1.60	1.62	1.64	1.66	1.69	1.71	1.73	1.75	1.77	1.79	1.81	1.83	1.85	1.87	1.89	0.00	0.00	
Fourth Mortgage Loan																				
Principal Pmt. -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest Pmt. -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Loan Servicing and/or MIP Fees	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total Debt Service -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash-flow after debt service - 4th	**34,264**	**1,157,132**	**796,763**	**823,789**	**850,896**	**878,071**	**905,301**	**932,574**	**959,875**	**987,189**	**1,014,500**	**1,041,791**	**1,069,046**	**1,096,246**	**1,123,373**	**1,150,405**	**1,177,322**	**0**	**0**	**15,998,537**
Debt coverage ratio after 4th mortgage	0.00	2.75	1.60	1.62	1.64	1.66	1.69	1.71	1.73	1.75	1.77	1.79	1.81	1.83	1.85	1.87	1.89	0.00	0.00	

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	0	0	TOTAL
Project Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	
Fifth Mortgage Loan																				
Principal Pmt. -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest Pmt. -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Loan Servicing and/or MIP Fees	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total Debt Service -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash-flow after debt service - 5th	**34,264**	**1,157,132**	**796,763**	**823,789**	**850,896**	**878,071**	**905,301**	**932,574**	**959,875**	**987,189**	**1,014,500**	**1,041,791**	**1,069,046**	**1,096,246**	**1,123,373**	**1,150,405**	**1,177,322**	**0**	**0**	**15,998,537**
Debt coverage ratio after 5th mortgage	0.00	2.75	1.60	1.62	1.64	1.66	1.69	1.71	1.73	1.75	1.77	1.79	1.81	1.83	1.85	1.87	1.89	0.00	0.00	
Req'd DSC (Cash needed for DSC)																				0
																				0
																				0
Cash Flow From Operations for Construction Costs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Release of Operating Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash Flow After Required Payments & Funding of Operating Reserve	**34,264**	**1,157,132**	**796,763**	**823,789**	**850,896**	**878,071**	**905,301**	**932,574**	**959,875**	**987,189**	**1,014,500**	**1,041,791**	**1,069,046**	**1,096,246**	**1,123,373**	**1,150,405**	**1,177,322**	**0**	**0**	**15,998,537**
RESERVE WITHDRAWALS																				
1 Initial Operating Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2 Capitalized ACC Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3 Capitalized Rev Deficit Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4 Capitalized Lease-Up Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5 Other Reserves	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PAYMENTS CONTINGENT ON AVAILABLE CASH-FLOW																				
1 Annual NEFAsset Management Fee	25,600	26,368	27,159	27,974	28,813	29,677	30,568	31,485	32,429	33,402	34,404	35,436	36,499	37,594	38,722	39,884	41,080	0	0	557,097
2 Incentive Management Fee	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3 Deferred Developer Fee - Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4 Deferred Developer Fee - Principal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
16 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
18 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
21 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
22 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
23 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
24 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
25 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
26 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
27 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Remaining Cash	8,664	1,130,764	769,604	795,815	822,083	848,393	874,734	901,090	927,446	953,787	980,096	1,006,355	1,032,547	1,058,652	1,084,650	1,110,521	1,136,241	0	0	15,441,441

Excess Cash Allocation to Distributions																				
General Partner Share @ 0.01%	1	113	77	80	82	85	87	90	93	95	98	101	103	106	108	111	114	0	0	1,544
Limited Partner Share @ 99.99%	8,663	1,130,651	769,527	795,736	822,000	848,308	874,646	900,999	927,353	953,691	979,998	1,006,254	1,032,444	1,058,546	1,084,542	1,110,410	1,136,128	0	0	15,439,896

Project Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	
Reserve Balances	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	2034	
Initial Operating Reserve		0	250,000	255,000	260,100	265,302	270,608	248,418	228,048	209,348	192,181	176,423	161,956	148,676	136,484	125,292	115,018	105,587	95,028	
Contributions to Operating Reserve	0	250,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Interest on Reserve Account	0	0	5,000	5,100	5,202	5,306	5,412	4,968	4,561	4,187	3,844	3,528	3,239	2,974	2,730	2,506	2,300	0	0	60,857
Withdrawal from Operating Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Other Use (Expense / Capitalized)	0	0	0	0	0	0	27,602	25,339	23,261	21,353	19,603	17,995	16,520	15,165	13,921	12,780	11,732	10,559		
Balance before Release	0	250,000	255,000	260,100	265,302	270,608	248,418	228,048	209,348	192,181	176,423	161,956	148,676	136,484	125,292	115,018	105,587	95,028	95,028	
Release of Operating Reserve to cash flow																				
Ending Balance	0	250,000	255,000	260,100	265,302	270,608	248,418	228,048	209,348	192,181	176,423	161,956	148,676	136,484	125,292	115,018	105,587	95,028	95,028	
	2%																			
Capitalized Replacement Reserve		1,275	72,445	155,371	242,400	333,687	429,393	476,716	522,634	567,337	611,001	653,791	695,858	737,346	778,389	819,111	859,631	900,059	810,053	
Interest on Reserve Account	0	23	1,449	3,107	4,848	6,674	8,588	9,534	10,453	11,347	12,220	13,076	13,917	14,747	15,568	16,382	17,193	0	0	159,125
Withdrawal from Replacement Reserve																				
Contributions to Replacement Reserve	1,275	71,147	81,477	83,921	86,439	89,032	91,703	94,454	97,288	100,207	103,213	106,309	109,498	112,783	116,167	119,652	123,241	0	0	
Other Use (Expense / Capitalized)	0	0	0	0	0	0	52,968	58,070	63,037	67,889	72,643	77,318	81,927	86,488	91,012	95,515	100,007	90,006	0	
Balance before Release																				
Release to cash flow																				
Ending Balance	1,275	72,445	155,371	242,400	333,687	429,393	476,716	522,634	567,337	611,001	653,791	695,858	737,346	778,389	819,111	859,631	900,059	810,053	810,053	
Capitalized ACC Reserve		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Contributions to Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Interest on Reserve Account	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Withdrawal from Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Other Use (Expense / Capitalized)																				
Balance before Release																				
Release of Reserve to cash flow																				
Ending Balance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	2%																			
Capitalized Rev Deficit Reserve		0	720,000	734,400	749,088	764,070	779,351	794,938	810,837	827,054	843,595	860,467	877,676	895,230	913,134	931,397	950,025	969,025	969,025	
Contributions to Reserve	0	720,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Interest on Reserve Account	0	0	14,400	14,688	14,982	15,281	15,587	15,899	16,217	16,541	16,872	17,209	17,554	17,905	18,263	18,628	19,000	0	0	249,025
Withdrawal from Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Other Use (Expense / Capitalized)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Balance before Release																				
Release of Reserve to cash flow																				
Ending Balance	0	720,000	734,400	749,088	764,070	779,351	794,938	810,837	827,054	843,595	860,467	877,676	895,230	913,134	931,397	950,025	969,025	969,025	969,025	
	2%																			
Insurance & Tax Escrow (Funding Not Req.)		0	300,000	306,000	312,120	318,362	324,730	331,224	337,849	344,606	351,498	358,528	365,698	373,012	380,473	388,082	395,844	209,720	209,720	
Interest on Reserve Account	0	0	6,000	6,120	6,242	6,367	6,495	6,624	6,757	6,892	7,030	7,171	7,314	7,460	7,609	7,762	7,917	0	0	103,761
Withdrawal from Ins & Tax Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	194,041	0	0	
Contributions to Ins & Tax Reserve	0	300,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Other Use (Expense / Capitalized)																			0	
Balance before Release																				
Release of Reserve to cash flow																				
Ending Balance	0	300,000	306,000	312,120	318,362	324,730	331,224	337,849	344,606	351,498	358,528	365,698	373,012	380,473	388,082	395,844	209,720	209,720	209,720	
	2%																			
Capitalized Lease-Up Reserve		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Contributions to Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Interest on Reserve Account	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Withdrawal from Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Other Use (Expense / Capitalized)																				
Balance before Release	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Release of Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Ending Balance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	2%																			
Other Reserves		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Contributions to Other Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Interest on Reserve Account	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Withdrawal from Other Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Other Use (Expense / Capitalized)																				
Balance before Release																				
Release of Operating Reserve to cash flow																				
Ending Balance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	2%																			

Year Placed in Service 2017

Use of Reserves Analysis

Operating Reserve	Used in yrs multiple of	5	% of balance used	10%	% of use capitalized	0%
Replacement Reserve	Used in yrs multiple of	5	% of balance used	10%	% of use capitalized	90%
Revenue Deficit Reserve	Used in yrs multiple of	20	% of balance used	50%	% of use capitalized	
Insurance & Tax Escrow Reserve	Used in yrs multiple of	15	% of balance used	50%	% of use capitalized	

		2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Use of Operating Reserve		0	0	0	0	0	0	27,602	25,339	23,261	21,353	19,603	17,995	16,520	15,165	13,921	12,780	11,732	10,559
Use of Replacement Reserve		0	0	0	0	0	0	52,968	58,070	63,037	67,889	72,643	77,318	81,927	86,488	91,012	95,515	100,007	90,006
Use of Revenue Deficit Reserve		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Use of Insurance & Tax Escrow Reserve		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	194,041	0
Total Uses of Reserves		0	0	0	0	0	0	80,570	83,409	86,298	89,243	92,246	95,313	98,447	101,653	104,934	108,294	305,779	100,565
Total Currently Expensed		0	0	0	0	0	0	32,899	31,146	29,565	28,142	26,867	25,727	24,712	23,814	23,023	22,331	215,774	19,559
Total Currently Capitalized		0	0	0	0	0	0	47,672	52,263	56,734	61,100	65,379	69,586	73,735	77,839	81,911	85,963	90,006	81,005
Cumulative Capitalized		0	0	0	0	0	0	47,672	99,935	156,669	217,769	283,148	352,734	426,468	504,307	586,218	672,182	762,187	843,193
Depreciation Taken	27.5	0	0	0	0	0	0	1,734	3,634	5,697	7,919	10,296	12,827	15,508	18,338	21,317	24,443	27,716	0
Remaining Capitalized Reserve Basis		0	0	0	0	0	0	45,938	94,567	145,604	198,785	253,868	310,627	368,854	428,355	488,949	550,469	612,759	693,764
Total Deduction for Use of Reserves		0	0	0	0	0	0	34,632	34,780	35,262	36,061	37,163	38,554	40,220	42,152	44,340	46,774	243,489	19,559

	Federal LIHTC			
	Total	Acquisition	Construction	
			100%	130%
Eligible Basis	56,961,308	0	0	56,961,308
Percentage of Cost with 130% Basis Boost	100.00%			
Res Portion of Solar Credits	0		0	0
Res Portion of Historic Rehab Credit	0		0	0
Subtotal	56,961,308	0	0	56,961,308
Less: Tax Exempt Bonds	0	0	0	0
Federal and Other Grants Off Basis	0	0	0	0
Other		0	0	0
Eligible Basis	**56,961,308**	**0**	**0**	**56,961,308**
Adjustment "Hard-to-Develop Area" or Qualified Census Tract		0.00%	100.00%	130.00%
Percentage of Historic Related Costs				
Adjusted Eligible Basis	74,049,700	0	0	74,049,700
Applicable Fraction		100.00%	100.00%	100.00%
Qualified Basis	**74,049,700**	**0**	0	**74,049,700**
Qualified Basis per Application		0	0	
Rate		3.22%	3.22%	7.52%
Annual LIHTC Amount Calculated	5,568,537	0	0	5,568,537
Actual Allocation	2,332,091	0	0	2,332,091
Used in Forecast (lessor)	2,332,091	0	0	2,332,091
Total Credits	23,320,910			

	No. of Units	Fraction	Total Sq Ft	Fraction
Low Income Apts	256	100.00%	287,450	100.00%
Market Rate Apts	0	0.00%	0	0.00%
Manager Unit	1			
TOTAL	257	100.00%	287,450	100.00%
Applicable fraction (the lesser of units or sq ft)				100.00%

50% Test	
Bond Analysis 50% Test (If Applicable)	
Total Tax Exempt Bond Proceeds	0
Add'l Const Period Bond Proceeds	
Total Project Basis	56,961,308
Bond Proceeds/Aggregate Basis	0.00%

Project Assumptions

NEF Projections_Liberty Rising Phase 3 4%.xlsm
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Project Description

Project Name	Liberty Rising Phase 3	
Limited Partnership Name	Liberty Rising Phase I, LLC	
Spreadsheet Purpose (Project Status)	Shelf	
Location		
Street Address	4751 NW 24th Court	
City	Miami	
State		FL
Zip Code	33142	
County	Miami-Dade	
Census Tract #		
Type	Urban	
Current Date	7/8/15	
Sponsor #1	Miami Redevelopment Partners, LLC	
Sponsor #1 - Tax Status	For Profit	
Sponsor #2		
Sponsor #2 - Tax Status		
Deal Source	NEF	
1 # of Residential Buildings	# Total Buildings	1
Total Number of Residential Units		205
Construction Type	New	
Target Population	Family	
Effective Tax Rate		35%
State Tax Rate (CA only)		
Rehab with Tenants in place?		N
4% or 9% credit deal?		4%
Tax exempt bond deal? (Y/N)		Y
Use Building by Building Depreciation Schedule (Y/N)		
QCT / DDA (Indicate Which)	QCT	
130% Boost (enter %, 101% - 130%)		130%
Is 3rd party buying state credits ?		N
SMT #		
Date Deal Secured		
Building Type	Multifamily	

Timing Assumptions

NEF Admission to Partnership	1/1/16
NEF Initial Funding	1/1/16
Construction Start	1/1/16
Placed in Service	12/1/16
Permanent Loan Closing	6/1/17
Projected First Credit Year	2016
Sale of Project	12/31/32

Partnership Information

Is Developer Cash Basis? (Y/N)	N	
General Partner Tax Exempt (Y/N)	N	
Co-General Partner Tax Exempt (Y/N)	N	
Lower-Tier LP Profit/Loss & Credits Share	99.99%	
Lower-Tier GP Profit/Loss & Credit Share	0.01%	
Sale Proceeds Share - LP Portion	10.00%	
Sale Proceeds Share - GP Portion	90.00%	
Deferred Developer Fee Interest Rate		
Applicable Fed. Rate (AFR)	2.74%	Jul-15
Lower-Tier LP Cash Flow Distribution Percentage	99.99%	
Length of LURA	30	

Escalators

Annual Residential Rent Increase - LIHTC	2.00%
-Subsidized	2.00%
Annual Residential Rent Increase - Mkt	2.00%
Residential Vacancy Rate - LIHTC	7.00%
-Subsidized	7.00%
-Mkt	7.00%
Annual Commercial Rent Increase	2.00%
Commercial Vacancy Rate	7.00%
Alternate escalation table being used	
Other Income Growth Rate	2.00%
Annual Expense Increase	3.00%

Reserves and Fees

	Y/N	$ Amt or % of EGI	Accrue Fee/Funding (Y/N)	Interest Earnings Rate	Growth Rate	Estimated Reserve Amount per Unit	Target Reserve Amount
Annual Funding of Replacement Reserve	Y	61,500		2.00%	3.00%	$300	
Annual Funding of Operating Reserve				2.00%	3.00%		
Annual Funding of Rev Deficit Reserve				2.00%	3.00%		
Annual NEFAsset Management Fee	Y	5,000		2.00%	3.00%		
Annual Partnership Mgmt Fee to GP	Y	7,500		2.00%	3.00%		
Management Incentive Fee							
Annual Funding of Ins & Tax Escrow				2.00%	3.00%		
Annual Funding of Other Reserves				2.00%	3.00%		

Project Assumptions

NEF Projections_Liberty Rising Phase 3 4%.xlsm
7/8/20151:02 AM

Tax Credit Information				
Acquisition Credit Rate	3.22%	Date	7/1/15	
Construction / Rehab Credit Rate	7.52%	Date	7/1/15	
Credit Rate Locked-In? (Y/N)	N	Date		
Annual Tax Credit frm Tax Credit Res	$1,805,492		Year of allocation	2015
Annual Tax Credit - 2nd year allocation			Elected set-aside	
Total Annual Tax Credit Allocation	$1,805,492		($2,505,872)	Unallocated
Total Annual Rehab Credit Allocated	$1,805,492			
Total Annual Acq Credit Allocated	$0			
Total LIHTC Basis+Land+Commercial	44,101,512			
10% Carryover Test Required (Y/N)	N			
Due Date of 10% Carryover				
Eligible for Solar Credits? (Y/N)	N			
Eligible for Acquisition Credit? (Y/N)	N			
Eligible for Cal State Tax Credit? (Y/N)	N			
Tax Credit Allocated				
Eligible for State LIHTC Credit? (Y/N)	N			
Tax Credit Allocated				
State LIHTC Credit - Number of Years				
Eligible for Historic Rehab Credit? (Y/N)	N			
Eligible for State Historic Tax Credit? (Y/N)	N		Number of Years	
State Historic Credit Percentage				

Other Annual Income	
Laundry	12,240
Vending	
Other Income	
TOTAL	12,240

Is 168 election required

Tax Exempt Bond Financing	
Bond Issuer	
Credit Enhancement Type	
Enhancement Provided by	
Bond Purchaser:	
Date of Bond Issuance	
Are These Draw Down Bonds	

Peredevelopment loan

NEF Regional Team:	
VP Originations	Tony Lyons
VP Supportive Housing	
Originations Manager	Sandra Seals
Originations Analyst	
VP Project Management	
Project Manager	
Constructions Risk Manager	
VP Asset Management	
Asset manager	

Project Characteristics Choose all that apply

Unit Mix & Rents

# Bdrms	# Bath rooms	Description	# Units	Median Income Targeted	Description of Units	Developer Rent	NEF LIHTC Rent	HUD FMR	S8 Pymt Standard	Tenant Pd Utility	Market Units Rent	Average Market Rent	During Contract	After Contract	Subsidy Type	Term (yrs)	Stressed Term (yrs)	Monthly Comm Income	Total Monthly Income	Stressed Income Escalator	Sq Ft / Unit	Total Sq Ft	Max LIHTC Rent @ target AMI	% of Rent Below LIHTC Max	After Contract Rent % Below LIHTC Max	Rent As Max % of Income	% of AMI of After Contract Rents	% of Rent Below Avg Market Rent
1	1.0	LIHTC Subsidized	4	50%						66			497	497	ction 8 - PHA Project Based Vouch	15	5		1,988	2.00%	650	2,600	635	11%	11%	60.2%	60%	#DIV/0!
1	1.0	LIHTC Subsidized	5	50%						66.00			914	914	ction 8 - PHA Project Based Vouch	15	5		4,570	2.00%	650	3,250	635	-54%	-54%	104.7%	105%	#DIV/0!
1	2.0	LIHTC	16	60%		696	696			66.00									11,136	2.00%	650	10,400	762	0%		81.4%		#DIV/0!
2	2.0	LIHTC Subsidized	38	50%						84.00			603	603	ction 8 - PHA Project Based Vouch	15	5		22,914	2.00%	1,100	41,800	762	10%	10%	61.2%	61%	#DIV/0!
2	2.0	LIHTC Subsidized	16	50%						84.00			1,173	1,173	ction 8 - PHA Project Based Vouch	15	5		18,768	2.00%	1,100	17,600	762	-65%	-65%	112.0%	112%	#DIV/0!
2	2.0	LIHTC	43	60%		831	831			84.00			1,648	1,648	ction 8 - PHA Project Based Vouch	15	5		106,597	2.00%	1,100	47,300	914	-90%	-90%	154.3%	154%	#DIV/0!
3	2.0	LIHTC Subsidized	14	50%						105.00			771	771	ction 8 - PHA Project Based Vouch	15	5		10,794	2.00%	1,250	17,500	880	0%	0%	67.5%	68%	#DIV/0!
3	2.0	LIHTC Subsidized	17	50%						105.00			1,616	1,616	ction 8 - PHA Project Based Vouch	15	5		27,472	2.00%	1,250	21,250	880	-96%	-96%	132.6%	133%	#DIV/0!
3	2.0	LIHTC	17	60%		951	951			105.00									16,167	2.00%	1,250	21,250	1,056	0%		81.4%		#DIV/0!
4	2.0	LIHTC Subsidized	10	50%						137.00			902	902	ction 8 - PHA Project Based Vouch	15	5		9,020	2.00%	1,350	13,500	982	-6%	-6%	71.8%	72%	#DIV/0!
4	2.0	LIHTC Subsidized	13	50%						137.00			1,888	1,888	ction 8 - PHA Project Based Vouch	15	5		24,544	2.00%	1,350	17,550	982	-106%	-106%	139.9%	140%	#DIV/0!
5	2.0	LIHTC Subsidized	11	50%						137.00			1,037	1,037	ction 8 - PHA Project Based Vouch	15	5		11,407	2.00%	1,450	15,950	1,083	-8%	-8%	73.5%	74%	#DIV/0!
2	2.0	Manager	1	50%															0	2.00%	1,100	1,100				0.0%		#DIV/0!
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Total Units	205	
Commercial Units	0	
Residential Units	205	
Manager Units	1	http://www.huduser.org/portal/datasets/mtsp.html

15 5

Percent Residential 100.00%
BE Occupancy 70.50%

HUD Income	
Median Income / Family of 4	49,900
As Of (Date)	3/6/15
Location	Miami Dade County
AMI source	HUD

Date AMI checked 7/6/15
Rent floor election year

	LIHTC	Market	Commercial	Subsidized	TOTAL	Garages	Day Care Bldg
Total Units	77	0	0	128	205		
Monthly Rent	63,036	0	0	202,341	265,377		
Annual Rent	756,432	0	0	2,428,092	3,184,524	0	0
Total RentableSq Ftg	78,950	0	0	151,000	229,950		

0	Total Commercial Sq Ft
	Is Commercial Space a Master Lease (Y/N)
0	Commercial Rent per Sq Ft
	Type of Lease NN or NNN)
	Is Commercial Space Eligible for Historic Credits

	Utilities	Source	Date
Tenant Paid	Gas & Electric	PHCD	
Owner Paid	Trash and Water	PHCD	

AMI Analysis		% Change
2006	55,900	
2007	45,200	-19.14%
2008	49,200	8.85%
2009	50,800	3.25%
2010	52,200	2.76%
2011	51,900	-0.57%
2012	52,600	1.35%
2013	49,000	-6.84%
2014	48,400	-1.22%
2015	49,900	3.10%
2016		0.00%
		-0.94%

Source huduser.org

4 person very low income 33,850

Max LIHTC Income and Rents

# BDRMS	Family Size	Adj Factor	50% Income	50% Rent	60% Income	60% Rent	Income	Rent	Income	Rent	Income	Rent	Income	Rent
0	1	0.70	23,695	592	28,434	711	0	0	0	0	0	0	0	0
1	1.5	0.75	25,388	635	30,465	762	0	0	0	0	0	0	0	0
	2	0.80	27,080	677	32,496	812	0	0	0	0	0	0	0	0
2	3	0.90	30,465	762	36,558	914	0	0	0	0	0	0	0	0
	4	1.00	33,850	846	40,620	1,016	0	0	0	0	0	0	0	0
3	4.5	1.04	35,204	880	42,245	1,056	0	0	0	0	0	0	0	0
	5	1.08	36,558	914	43,870	1,097	0	0	0	0	0	0	0	0
4	6	1.16	39,266	982	47,119	1,178	0	0	0	0	0	0	0	0
	7	1.24	41,974	1,049	50,369	1,259	0	0	0	0	0	0	0	0
5	7.5	1.28	43,328	1,083	51,994	1,300	0	0	0	0	0	0	0	0
	8	1.32	44,682	1,117	53,618	1,340	0	0	0	0	0	0	0	0

1.72

% of funding	Required Loans / Source of Funds / Lender Name	Principal	Debt / Unit	Payment Type	Interest Rate	Perm Loan Closing Date	1st Pay Date	Amort Yrs	Term Yrs	Recourse Y/N)	Sponsor/Related Party	Is lender related to investor	Source	Conversion Requirements
31.15%	First Mortgage	15,390,000	75,073	Amortizing	6.25%	6/1/17	7/1/17	35	35	N	N	N	Private Lender	
0.00%			0											
0.00%			0											
0.00%			0											
0.00%			0											
		15,390,000	**75,073**											
	Contingent Loans / Lender Name													
10.16%	County General Obligation Bonds	5,017,294	24,475	Amortizing	2.37%	1/1/16	2/1/16	35	35	N	N	N	County Loan Sources	
2.44%	PHCD Documentary Surtax Fund	1,203,540	5,871	Amortizing	2.37%	1/1/16	2/1/16	35	35	N	N	N	County Loan Sources	
3.25%	PHCD CFFP	1,604,720	7,828	Amortizing	2.37%	1/1/16	2/1/16	35	35	N	N	N	County Loan Sources	
0.31%	Other Public and Private Funds	155,000	756	Amortizing	2.37%	1/1/16	2/1/16	35	35	N	N	N	Other	
10.12%	FHFC SAIL Loan	5,000,000	24,390	Simple	0.00%	1/1/16	2/1/16	35	35	N	N	N	State Loans	
1.32%	FHFC ELI Loan	650,312	3,172	Simple	0.00%	1/1/16	2/1/16	35	35	N	N	N	State Loans	
1.06%	RAD Subsidy During Construction	524,319	2,558	Amortizing	2.37%	1/1/16	2/1/16	35	35	N	N	N	Other	
0.00%			0											
	Subtotal Contingent Loans	**14,155,185**	**69,050**											

	Grants		Comments	Fed Grant ? (Y/N)
0.00%				
0.00%				
	Subtotal Grants	**0**		

	Other Sources		Comments			
0.00%	State Tax Equity Provider	0				
0.00%	Cash Flow from Operations	0	Percentage of cash flow from operations to fund deal	0%	No of Yrs	2
0.00%						
0.00%						
0.00%						
0.00%						
0.00%	GP Capital	100				
0.00%	Developer Fee via Cash Flow	0	0 Year DDF Paid Off			
40.20%	NEF Equity	19,858,426	DDF paid on RA page			
	Subtotal Other Sources	**19,858,526**				
100.00%	**Total Sources**	**49,403,711**				

Construction Financing

Construction Lender	Principal	Interest Rate	Conversion Date	Maturity Date	Comments	Bond Financing (Y/N)
Construction Loan	23,300,000	4.75%	6/1/17	6/1/17		

Development Costs

Uses of Funds		Total	Per Sq Ft	Per Unit	Depreciable Basis	NC/Rehab Eligible	Acquisition Eligible	Commercial Costs	Non-Depreciable	Amortized	Yrs	Expensed	Historic Basis	Bond Basis	Check	Comments
Land	0%		0	0	0	X	0	0	0	0		0	X	0	0	
Building	0		0	0	0	X	0	0	0	0	0	0	X	0	0	
Acquisition Legal Costs			0	0	0	X	0	0	0	0		0	X	0	0	
Other acquisition costs - holding costs			0	0	0	X	0	0	0	0		0	X	0	0	
Other acquisition costs			0	0	0	X	0	0	0	0		0	X	0	0	
Off-Site Improvements		2,040,000	9	9,951	0	X	0	0	2,040,000	0		0	X	0	0	
Site Work - Bldg Life Depr (Utility & Sewer Lines)			0	0	0	0	0	0	0	0		0	X	0	0	
Site Work - Non Depr (Grading, Demolition, Land Clearing)		986,544	4	4,812	0	0	0	0	986,544	0		0	X	0	0	
Site Work - 15 Year Depr (Landscaping, fine grading, sidewalks)			0	0	0	0	0	0	0	0		0	X	0	0	
Basic Construction Retention %		24,537,854	107	119,697	24,537,854	24,537,854	0	0	0	0		0	0	24,537,854	0	
Personal Property			0	0	0	0	0	0	0	0		0		0	0	
Gen. Req., Builder's OH & Profit	14.04%	3,583,372	16	17,480	3,583,372	3,583,372	0	0	0	0		0	0	3,583,372	0	
Other Construction Hard Costs - Solar			0	0	0	0	0	0	0	0		0	0	0	0	
Other Construction Hard Costs			0	0	0	0	0	0	0	0		0	0	0	0	
Other Construction Hard Costs			0	0	0	0	0	0	0	0		0	0	0	0	
CONSTRUCTION CONTINGENCY	4.42%	1,378,220	6	6,723	1,378,220	1,378,220	0	0	0	0		0	0	1,378,220	0	
Payment and Performance Bond		275,644	1	1,345	275,644	275,644	0	0	0	0		0	0	275,644	0	
Architect/Design		730,000	3	3,561	730,000	730,000	0	0	0	0		0	0	730,000	0	
Construction Management/Architect Supervision		200,000	1	976	200,000	200,000	0	0	0	0		0	0	200,000	0	
Construction Permits and Fees			0	0	0	0	0	0	0	0		0	0	0	0	
Lender or NEF Inspection fee		16,000	0	78	16,000	16,000	0	0	0	0		0	0	16,000	0	
Engineering		400,000	2	1,951	400,000	400,000	0	0	0	0		0	0	400,000	0	
Environmental Reporting and Abatement		25,000	0	122	25,000	25,000	0	0	0	0		0	0	25,000	0	
Geotechnical Study/Soil Borings		70,000	0	341	70,000	70,000	0	0	0	0		0	0	70,000	0	
Other Construction Soft Costs		75,000	0	366	75,000	75,000	0	0	0	0		0	0	75,000	0	
Other Construction Soft Costs			0	0	0	0	0	0	0	0		0	0	0	0	
Construction Loan Origination Fee		336,267	1	1,640	336,267	336,267	0	0	0	0	20	0	0	336,267	0	
CONSTRUCTION LOAN INTEREST IN BASIS	1,205,314	553,375	2	2,699	553,375	553,375	0	0	0	0		0	0	553,375	0	
CONSTRUCTION LOAN INTEREST EXPENSED		553,375	2	2,699	0	0	0	0	0	0		553,375	0	0	0	
Construction Period RE Taxes		60,000	0	293	60,000	60,000	0	0	0	0		0	0	60,000	0	
Construction Period Insurance		720,000	3	3,512	720,000	720,000	0	0	0	0		0	0	720,000	0	
Negative Arbitrage, costs of issuance, LOC fees		1,844,389	8	8,997	1,844,389	1,844,389	0	0	0	0		0	0	1,844,389	0	
Appraisal		13,000	0	63	13,000	13,000	0	0	0	0		0	0	13,000	0	
Market Study		12,000	0	59	12,000	12,000	0	0	0	0		0	0	12,000	0	
Survey		30,000	0	146	30,000	30,000	0	0	0	0		0	0	30,000	0	
Predevelopment Loan Interest and Fees			0	0	0	0	0	0	0	0	15	0	0	0	0	
Consulting Fees			0	0	0	0	0	0	0	0	15	0	0	0	0	
"Project" Bridge Loan Interest in Basis			0	0	0	0	0	0	0	0		0	0	0	0	
Loan Origination Fee - Permanent			0	0	0	0	0	0	0	0	35	0	0	0	0	
Title & Recording		310,000	1	1,512	279,000	279,000	0	0	31,000	0	10	0	0	279,000	0	
Legal - Syndication/Organization		0	0	0	0	0		0	0	0	15	0	0	0	0	
Legal - Bond/Perm Loan			0	0	0	0	0	0	0	0	35	0	0	0	0	
Legal - Construction		255,000	1	1,244	255,000	255,000	0	0	0	0		0	0	255,000	0	
Due Diligence - NEF		52,000	0	254	0	0	0	0	52,000	0		0	0	0	0	
Tax Credit Allocation Fee		144,439	1	705	0	0	0	0	0	144,439	10	0	0	0	0	
Tax Credit Compliance Fees		114,667	0	559	0	0	0	0	0	114,667	10	0	0	0	0	
Lease-up and Marketing Costs		228,075	1	1,113	0	0	0	0	0	228,075	1	0	0	0	0	
Accounting/Post Const. Audit		35,000	0	171	0	0	0	0	0	0		35,000	0	0	0	
Soft Cost Contingency		341,619	1	1,666	341,619	341,619	0	0	0	0		0	0	341,619	0	
Other Tax Credit Fees		254,933	1	1,244	254,933	254,933	0	0	0	0	2	0	0	254,933	0	
Relocation		444,288	2	2,167	444,288	444,288	0	0	0	0		0	0	444,288	0	
Utility Tap Fees		250,000	1	1,220	250,000	250,000	0	0	0	0		0	0	250,000	0	
Developer Fee - Construction	100%	7,416,551	32	36,178	7,416,551	7,416,551	0	0	0	0		0	0	7,416,551	0	
Developer Fee - Acquisition	0%		0	0	0		0	0	0	0		0	0	0	0	
Developer Fee - Other			0	0	0	0	0	0	0	0		0	0	0	0	
Initial Operating Reserve	1.09	204,000	1	995	0	0	0	0	204,000	0		0	X	0	0	
Capitalized Replacement Reserve	0		0	0	0	0	0	0	0	0		0	X	0	0	
Capitalized ACC Reserve			0	0	0	0	0	0	0	0		0	X	0	0	
Capitalized Rev Deficit Reserve	3	580,000	3	2,829	0	0	0	0	580,000	0		0	X	0	0	
Capitalized Ins & Tax Escrow		330,000	1	1,610	0	0	0	0	330,000	0		0	X	0	0	
Capitalized Lease-Up Reserve			0	0	0	0	0	0	0	0		0	X	0	0	
Other Reserves			0	0	0	0	0	0	0	0		0	X	0	0	
Other Reserves			0	0	0	0	0	0	0	0		0	X	0	0	
Other Reserves				0	0	0	0	0	0	0		0	X	0	0	
Accrued Contingent Loan Interest		197,892			0	0	0	0	0	0		0	0	0	197,892	
Total Uses		49,400,612	215	240,979	44,101,512	44,101,512	0	0	4,223,544	487,181		588,375	0	44,101,512	0	

Sources/Uses Surplus (Gap)	3,099

Lease-Up Schedule / Credit Delivery

Number of Residential Units	205	First Building Placed in Service	12/1/16	Acquisition Credits Allocated/yr	0
Number of Tax Credit Units	205	Last Building Placed in Service	12/1/16	LIHTCs Allocated @ 100%/yr	0
Number of Market Units	0	Construction Contract Completion Date		LIHTCs Allocated @ 130%/yr	1,805,492
Commercial Square Footage	0			Cal State Credits Allocated @ 100%	0
Square Footage of Building	229,950			Cal State Credits Allocated @ 130%	0
Start of Construction	1/1/16			State Credits Allocated	0
Completion/CofO/Placed in Service	12/1/16			Historic Credits Allocated	0
Start of Leasing/Move-in Date	12/1/16	Absorption (avg units/month) per market study	50	State Historic Credits Allocated	0
100% Lease-Up/Qualified Occupancy	4/1/17	Absorption (avg units/month) per model	41	Solar Credits	0
Start of QO Tax Credit Units PIS	12/1/2016				
Construction Period	11				

Year	Tax Credit Units Leased (Income)	Cumulative TC Units Leased	Tax Credit Units Leased (Credits)	Non TC Units Leased	Cumulative Non TC Units Leased	Commercial Sq Ft Leased	Tax Credit Rental Income	Commercial Income	Non Tax Credit Rental Income	Total Rental Income	Rehab Tax Credits	Acq Tax Credits	Total Tax Credits
Jan-16		0			0		0	0	0	0	0	0	0
Feb-16		0			0		0	0	0	0	0	0	0
Mar-16		0			0		0	0	0	0	0	0	0
Apr-16		0			0		0	0	0	0	0	0	0
May-16		0			0		0	0	0	0	0	0	0
Jun-16		0			0		0	0	0	0	0	0	0
Jul-16		0			0		0	0	0	0	0	0	0
Aug-16		0			0		0	0	0	0	0	0	0
Sep-16		0			0		0	0	0	0	0	0	0
Oct-16		0			0		0	0	0	0	0	0	0
Nov-16		0			0		0	0	0	0	0	0	0
Dec-16	41	41	41		0		53,075	0	0	53,075	30,092	0	30,092
TOTAL	**41**	**41**	**41**	**0**	**0**		**53,075**	**0**	**0**	**53,075**	**30,092**	**0**	**30,092**

Year	Tax Credit Units Leased (Income)	Cumulative Tax Credit Units Leased	Tax Credit Units Leased (Credits)	Non Tax Credit Units Leased	Cumulative Non Tax Credit Units	Commercial Sq FT Leased	Tax Credit Rental Income	Commercial Income	Non Tax Credit Rental Income	Total Rental Income	Rehab Tax Credits	Acq Tax Credits	Total Tax Credits
Jan-17	41	82	41		0		106,151	0	0	106,151	361,098	0	361,098
Feb-17	41	123	41		0		159,226	0	0	159,226	331,007	0	331,007
Mar-17	41	164	41		0		212,302	0	0	212,302	300,915	0	300,915
Apr-17	41	205	41		0		265,377	0	0	265,377	270,824	0	270,824
May-17		205			0		265,377	0	0	265,377	0	0	0
Jun-17		205			0		265,377	0	0	265,377	0	0	0
Jul-17		205			0		265,377	0	0	265,377	0	0	0
Aug-17		205			0		265,377	0	0	265,377	0	0	0
Sep-17		205			0		265,377	0	0	265,377	0	0	0
Oct-17		205			0		265,377	0	0	265,377	0	0	0
Nov-17		205			0		265,377	0	0	265,377	0	0	0
Dec-17		205			0		265,377	0	0	265,377	0	0	0
Credits from QO Units PIS in 2016											**361,098**	**0**	**361,098**
TOTAL	**164**	**205**	**164**	**0**	**0**		**2,866,072**	**0**	**0**	**2,866,072**	**1,624,943**	**0**	**1,624,943**

Lease-Up Schedule / Credit Delivery

Year	Tax Credit Units Leased (Income)	Cumulative Tax Credit Units Leased	Tax Credit Units Leased (Credits)	Non Tax Credit Units Leased	Cumulative Non Tax Credit Units	Commercial Sq FT Leased	Tax Credit Rental Income	Commercial Income	Non Tax Credit Rental Income	Total Rental Income	Rehab Tax Credits	Acq Tax Credits	Total Tax Credits
Jan-18		205			0		265,377	0	0	265,377	0	0	0
Feb-18		205			0		265,377	0	0	265,377	0	0	0
Mar-18		205			0		265,377	0	0	265,377	0	0	0
Apr-18		205			0		265,377	0	0	265,377	0	0	0
May-18		205			0		265,377	0	0	265,377	0	0	0
Jun-18		205			0		265,377	0	0	265,377	0	0	0
Jul-18		205			0		265,377	0	0	265,377	0	0	0
Aug-18		205			0		265,377	0	0	265,377	0	0	0
Sep-18		205			0		265,377	0	0	265,377	0	0	0
Oct-18		205			0		265,377	0	0	265,377	0	0	0
Nov-18		205			0		265,377	0	0	265,377	0	0	0
Dec-18		205			0		265,377	0	0	265,377	0	0	0
Credits from QO Units PIS in 2016											**361,098**	**0**	**361,098**
Credits from QO Units PIS in 2017											**1,444,394**	**0**	**1,444,394**
TOTAL	**0**	**205**	**0**	**0**	**0**		**3,184,524**	**0**	**0**	**3,184,524**	**1,805,492**	**0**	**1,805,492**
		units agree	units agree		units agree	sq ft agrees							

	Credits	Price/Credit	Equity
Federal LIHTC Credits	18,053,115	1.100	19,858,426
Federal Historic Tax Credits	0		0
State LIHTC Credits Purchased by NEF	0		0
State Historic Credits Purchased by NEF	0		0
Solar Credits	0		0
Total Limited Partner Equity			**19,858,426**
State LIHTC Credits Purchased by a 3rd Party			
3rd Party Buyer			
State Historic Credits Purchased by a 3rd Party			
3rd Party Buyer			
Total			**19,858,426**

Equity Installments

Payment	Project Milestone	Date	Qtr Paid	Development Costs Percent	Project Cost	Developer Fee Percent	Developer Fee	Total Reserves Payment	NEF Reserves	Total Equity Paid	Total Equity Percent	3rd Party Equity	NEF and 3rd Party EQUITY
1	NEF Closing/Construction Start	1/1/16	3/31/16	10.00%	1,132,787	25.00%	1,854,138		0	2,986,925	15.04%	0	2,986,925
2	25% Construction Complete	4/1/16	6/30/16	15.00%	1,699,181	15.00%	1,112,483		0	2,811,664	14.16%	0	2,811,664
3	50% Construction Complete	8/1/16	9/30/16	15.00%	1,699,181	15.00%	1,112,483		0	2,811,664	14.16%	0	2,811,664
4	75% Construction Complete	10/1/16	12/31/16	15.00%	1,699,181	15.00%	1,112,483		0	2,811,664	14.16%	0	2,811,664
5	100% Construction Complete/ Placed in Service/ CO	12/1/16	12/31/16	20.00%	2,265,575	25.00%	1,854,138		0	4,119,713	20.75%	0	4,119,713
6	Stabilization / Conversion / Final Cost Cert / 8609	6/1/17	6/30/17	25.00%	2,831,969	5.00%	370,828	1,114,000	1,114,000	4,316,796	21.74%	0	4,316,796
7	Tax Return				0		0		0	0	0.00%	0	0
8					0		0		0	0	0.00%	0	0
9					0		0		0	0	0.00%	0	0
10					0		0		0	0	0.00%	0	0
TOTAL				100.00%	11,327,875	100.00%	7,416,551	1,114,000	1,114,000	19,858,426	100.00%	0	19,858,426
					11,327,875					Equity Agrees		Equity Agrees	

Developer Fee	
Maximum Deferred Fee Percentage	50.00%
Developer Fee	7,416,551
From Cash Flow	0
From Equity	7,416,551
Percentage of Fee Deferred	0.00%

Operating Expenses

	Units 205	Annual Expense	Per Unit	Escalator	Comments	calculated property mgmt fee	alternate property mgmt fee calculation
General & Administrative	Property Management Fee	65,588	320	3.00%		2.25%	
	Misc. Prop. Mgmt. Fees	131,887	643	3.00%			
	Accounting/Auditing		0	3.00%			65,588
	Legal		0	3.00%			
	Office Supplies & Expense		0	3.00%			
	Telephone Answering Service		0	3.00%			
	Other - LIHTC Compliance Monitoring		0	3.00%			
	Other - Misc. Admin.		0	3.00%			
		197,475	963				
Payroll & Related	Administrative Payroll		0	3.00%			
	Maintenance Payroll		0	3.00%			
	Repair Payroll		0	3.00%			
	Payroll Taxes		0	3.00%			
	Fringe Benefits		0	3.00%			
	Other		0	3.00%			
		0	0				
						Owner Paid	Tenant Paid
Utilities	Electric (Common Area)		0	3.00%			
	Gas/Fuel Oil/Coal (Common Area)		0	3.00%			
	Water & Sewer		0	3.00%			
	Electric (for Units)		0	3.00%			
	Gas/Fuel Oil/Coal (for Units)		0	3.00%			
	Other		0	3.00%			
		0	0				
Maintenance & Repair	Cleaning (Janitorial)		0	3.00%			
	Elevator Maintenance		0	3.00%			
	Exterminating		0	3.00%			
	Fire Alarm Inspection		0	3.00%			
	Grounds Maintenance		0	3.00%			
	Grounds Maintenance Contract		0	3.00%			
	Painting & Decorating/Make-ready		0	3.00%			
	Repairs		0	3.00%			
	Repairs Contract		0	3.00%			
	Security		0	3.00%			
	Supplies		0	3.00%			
	Trash Removal/Snow Removal		0	3.00%			
	Vehicle/Equipment Maintenance		0	3.00%			
	Other - Misc Ops and Maint Expenses	901,832	4,399	3.00%			
	Reserves		0	3.00%			
		901,832	4,399				
Market & Leasing	Advertising		0	3.00%			
	Credit Investigations		0	3.00%			
	Leasing Fees		0	3.00%			
	Other		0	3.00%			
		0	0				
Taxes & Insurance	Insurance - Liability		0	3.00%			
	Other Taxes, Licenses & Fees		0	3.00%			
	Real Estate Taxes		0	3.00%			
	Property/Liability (Hazard)		0	3.00%			
	Other		0	3.00%			
		0	0				
	Total Annual Operating Budget	1,099,307			Is the project providing a washer/dryer in unit(s)	Y/N	
					Which units are provided w/washer & dryer		
	Annual Operating Budget per Unit (PUPA)	**5,362**					

Cash Flow

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	Sale 2032	0	0	TOTAL
Project Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	
% of Year in Operation	1.67%	90.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	0.00%	0.00%	
LIHTC and Subsidized Vacancy Override																				
INCOME																				
Gross Rent Paid - LIHTC Units 2.00%	12,607	680,789	786,992	802,732	818,786	835,162	851,865	868,903	886,281	904,006	922,086	940,528	959,339	978,525	998,096	1,018,058	1,038,419	0	0	14,303,174
Gross Rent Paid - Sub Units Increase 2.00%	40,468	2,185,283	2,526,187	2,576,711	2,628,245	2,680,810	2,734,426	2,789,114	2,844,897	2,901,795	2,959,831	3,019,027	3,079,408	3,140,996	3,203,816	2,995,568	0	0	0	42,306,580
Gross Rent Paid - After Contract 2.00%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	272,324	3,333,250	0	0	3,605,574
Market Rent	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Gross Residential Income	**53,075**	**2,866,072**	**3,313,179**	**3,379,442**	**3,447,031**	**3,515,972**	**3,586,291**	**3,658,017**	**3,731,177**	**3,805,801**	**3,881,917**	**3,959,555**	**4,038,746**	**4,119,521**	**4,201,912**	**4,285,950**	**4,371,669**	**0**	**0**	60,215,329
LIHTC Vacancy @ 7.0%	(883)	(47,655)	(55,089)	(56,191)	(57,315)	(58,461)	(59,631)	(60,823)	(62,040)	(63,280)	(64,546)	(65,837)	(67,154)	(68,497)	(69,867)	(71,264)	(72,689)	0	0	(1,001,222)
Subsidized Residential Vacancy @ 7.0%	(2,833)	(152,970)	(176,833)	(180,370)	(183,977)	(187,657)	(191,410)	(195,238)	(199,143)	(203,126)	(207,188)	(211,332)	(215,559)	(219,870)	(224,267)	(228,752)	(233,327)	0	0	(3,213,851)
Market Residential Vacancy @ 7.0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Income / yr @ 2% increase / yr	204	11,236	12,734	12,989	13,249	13,514	13,784	14,060	14,341	14,628	14,920	15,219	15,523	15,834	16,150	16,473	16,803	0	0	231,663
Other Income Vacancy @ 7.0%	(14)	(787)	(891)	(909)	(927)	(946)	(965)	(984)	(1,004)	(1,024)	(1,044)	(1,065)	(1,087)	(1,108)	(1,131)	(1,153)	(1,176)	0	0	(16,216)
Commercial @ 2% increase / yr	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Commercial Vacancy @ 7.0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Income																				0
Total Effective Gross Income from Project	**49,550**	**2,675,896**	**3,093,099**	**3,154,961**	**3,218,061**	**3,282,422**	**3,348,070**	**3,415,032**	**3,483,332**	**3,552,999**	**3,624,059**	**3,696,540**	**3,770,471**	**3,845,880**	**3,922,798**	**4,001,254**	**4,081,279**	**0**	**0**	56,215,703
EXPENSES																				
GENERAL & ADMINISTRATIVE	3,291	183,059	209,501	215,786	222,260	228,928	235,795	242,869	250,155	257,660	265,390	273,352	281,552	289,999	298,699	307,660	316,889	0	0	4,082,846
PAYROLL & RELATED	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
UTILITIES	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
MAINTENANCE & REPAIR	15,031	835,998	956,754	985,456	1,015,020	1,045,470	1,076,835	1,109,140	1,142,414	1,176,686	1,211,987	1,248,346	1,285,797	1,324,371	1,364,102	1,405,025	1,447,176	0	0	18,645,606
MARKETING & LEASING	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TAXES & INSURANCE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
OTHER EXPENSES																				0
Total Expenses	**18,322**	**1,019,058**	**1,166,255**	**1,201,242**	**1,237,280**	**1,274,398**	**1,312,630**	**1,352,009**	**1,392,569**	**1,434,346**	**1,477,377**	**1,521,698**	**1,567,349**	**1,614,369**	**1,662,800**	**1,712,684**	**1,764,065**	**0**	**0**	22,728,452
Replacement Reserve (Funding Req.) @$300	1,025	57,011	65,245	67,203	69,219	71,295	73,434	75,637	77,906	80,244	82,651	85,130	87,684	90,315	93,024	95,815	98,689	0	0	1,271,528
Total Expenses including Replacement Reserve	**19,347**	**1,076,068**	**1,231,500**	**1,268,445**	**1,306,499**	**1,345,693**	**1,386,064**	**1,427,646**	**1,470,476**	**1,514,590**	**1,560,028**	**1,606,828**	**1,655,033**	**1,704,684**	**1,755,825**	**1,808,499**	**1,862,754**	**0**	**0**	23,999,980
NET OPERATING INCOME	**30,203**	**1,599,828**	**1,861,599**	**1,886,516**	**1,911,562**	**1,936,728**	**1,962,006**	**1,987,385**	**2,012,857**	**2,038,409**	**2,064,031**	**2,089,712**	**2,115,438**	**2,141,196**	**2,166,973**	**2,192,754**	**2,218,524**	**0**	**0**	32,215,723
ECR	2.56	2.49	2.51	2.49	2.46	2.44	2.42	2.39	2.37	2.35	2.32	2.30	2.28	2.26	2.23	2.21	2.19	0.00	0.00	
Req'd ECR 1.05 Cash needed for ECR	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
DEBT SERVICE (MUST-PAY))																				
First Mortgage Loan																				
Principal Pmt. - First Mortgage	0	61,971	129,890	138,245	147,137	156,601	166,674	177,395	188,805	200,949	213,875	227,631	242,273	257,857	274,442	292,095	310,883	0	0	3,186,722
Interest Pmt. - First Mortgage	0	480,135	954,323	945,968	937,076	927,612	917,539	906,818	895,408	883,264	870,338	856,581	841,940	826,356	809,770	792,118	773,330	0	0	13,618,577
Loan Servicing and/or MIP Fees	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total Debt Service - First Mortgage	0	542,106	1,084,213	1,084,213	1,084,213	1,084,213	1,084,213	1,084,213	1,084,213	1,084,213	1,084,213	1,084,213	1,084,213	1,084,213	1,084,213	1,084,213	1,084,213	0	0	16,805,299
Cash-flow after debt service - 1st	**30,203**	**1,057,722**	**777,386**	**802,303**	**827,349**	**852,515**	**877,793**	**903,173**	**928,644**	**954,196**	**979,818**	**1,005,499**	**1,031,225**	**1,056,983**	**1,082,760**	**1,108,541**	**1,134,312**	**0**	**0**	**15,410,423**
Debt coverage ratio after 1st mortgage	0.00	2.95	1.72	1.74	1.76	1.79	1.81	1.83	1.86	1.88	1.90	1.93	1.95	1.97	2.00	2.02	2.05	0.00	0.00	
Second Mortgage Loan																				
Principal Pmt. -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest Pmt. -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Loan Servicing and/or MIP Fees	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total Debt Service -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash-flow after debt service - 2nd	**30,203**	**1,057,722**	**777,386**	**802,303**	**827,349**	**852,515**	**877,793**	**903,173**	**928,644**	**954,196**	**979,818**	**1,005,499**	**1,031,225**	**1,056,983**	**1,082,760**	**1,108,541**	**1,134,312**	**0**	**0**	**15,410,423**
Debt coverage ratio (TIF Note only)	0.00	2.95	1.72	1.74	1.76	1.79	1.81	1.83	1.86	1.88	1.90	1.93	1.95	1.97	2.00	2.02	2.05	0.00	0.00	
Third Mortgage Loan																				
Principal Pmt. -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest Pmt. -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Loan Servicing and/or MIP Fees	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total Debt Service -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash-flow after debt service - 3rd	**30,203**	**1,057,722**	**777,386**	**802,303**	**827,349**	**852,515**	**877,793**	**903,173**	**928,644**	**954,196**	**979,818**	**1,005,499**	**1,031,225**	**1,056,983**	**1,082,760**	**1,108,541**	**1,134,312**	**0**	**0**	**15,410,423**
Debt coverage ratio after 3rd mortgage	0.00	2.95	1.72	1.74	1.76	1.79	1.81	1.83	1.86	1.88	1.90	1.93	1.95	1.97	2.00	2.02	2.05	0.00	0.00	
Fourth Mortgage Loan																				
Principal Pmt. -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest Pmt. -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Loan Servicing and/or MIP Fees	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total Debt Service -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash-flow after debt service - 4th	**30,203**	**1,057,722**	**777,386**	**802,303**	**827,349**	**852,515**	**877,793**	**903,173**	**928,644**	**954,196**	**979,818**	**1,005,499**	**1,031,225**	**1,056,983**	**1,082,760**	**1,108,541**	**1,134,312**	**0**	**0**	**15,410,423**
Debt coverage ratio after 4th mortgage	0.00	2.95	1.72	1.74	1.76	1.79	1.81	1.83	1.86	1.88	1.90	1.93	1.95	1.97	2.00	2.02	2.05	0.00	0.00	

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	0	0	TOTAL
Project Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	
Fifth Mortgage Loan																				
Principal Pmt. -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest Pmt. -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Loan Servicing and/or MIP Fees	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total Debt Service -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash-flow after debt service - 5th	**30,203**	**1,057,722**	**777,386**	**802,303**	**827,349**	**852,515**	**877,793**	**903,173**	**928,644**	**954,196**	**979,818**	**1,005,499**	**1,031,225**	**1,056,983**	**1,082,760**	**1,108,541**	**1,134,312**	**0**	**0**	**15,410,423**
Debt coverage ratio after 5th mortgage	0.00	2.95	1.72	1.74	1.76	1.79	1.81	1.83	1.86	1.88	1.90	1.93	1.95	1.97	2.00	2.02	2.05	0.00	0.00	
Req'd DSC	Cash needed for DSC																			0
																				0
																				0
Cash Flow From Operations for Construction Costs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Release of Operating Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash Flow After Required Payments & Funding of Operating Reserve	**30,203**	**1,057,722**	**777,386**	**802,303**	**827,349**	**852,515**	**877,793**	**903,173**	**928,644**	**954,196**	**979,818**	**1,005,499**	**1,031,225**	**1,056,983**	**1,082,760**	**1,108,541**	**1,134,312**	**0**	**0**	**15,410,423**
RESERVE WITHDRAWALS																				
1 Initial Operating Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2 Capitalized ACC Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3 Capitalized Rev Deficit Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4 Capitalized Lease-Up Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5 Other Reserves	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PAYMENTS CONTINGENT ON AVAILABLE CASH-FLOW																				
1 Annual NEFAsset Management Fee	5,000	5,150	5,305	5,464	5,628	5,796	5,970	6,149	6,334	6,524	6,720	6,921	7,129	7,343	7,563	7,790	8,024	0	0	108,808
2 Incentive Management Fee	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3 Deferred Developer Fee - Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4 Deferred Developer Fee - Principal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
16 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
18 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
21 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
22 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
23 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
24 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
25 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
26 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
27 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Remaining Cash	25,203	1,052,572	772,082	796,840	821,722	846,719	871,823	897,023	922,310	947,672	973,099	998,578	1,024,096	1,049,641	1,075,197	1,100,752	1,126,288	0	0	15,301,616

Excess Cash Allocation to Distributions																				
General Partner Share @ 0.01%	3	105	77	80	82	85	87	90	92	95	97	100	102	105	108	110	113	0	0	1,530
Limited Partner Share @ 99.99%	25,201	1,052,467	772,005	796,760	821,639	846,634	871,736	896,933	922,218	947,578	973,002	998,478	1,023,994	1,049,536	1,075,090	1,100,642	1,126,175	0	0	15,300,085

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Project Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	
Reserve Balances	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	2034	
Initial Operating Reserve		0	204,000	208,080	212,242	216,486	220,816	202,709	186,087	170,828	156,820	143,961	132,156	121,319	111,371	102,239	93,855	86,159	77,543	
Contributions to Operating Reserve	0	204,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Interest on Reserve Account	0	0	4,080	4,162	4,245	4,330	4,416	4,054	3,722	3,417	3,136	2,879	2,643	2,426	2,227	2,045	1,877	0	0	49,659
Withdrawal from Operating Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Other Use (Expense / Capitalized)	0	0	0	0	0	0	22,523	20,676	18,981	17,424	15,996	14,684	13,480	12,375	11,360	10,428	9,573	8,616		
Balance before Release	0	204,000	208,080	212,242	216,486	220,816	202,709	186,087	170,828	156,820	143,961	132,156	121,319	111,371	102,239	93,855	86,159	77,543	77,543	
Release of Operating Reserve to cash flow																				
Ending Balance	0	204,000	208,080	212,242	216,486	220,816	202,709	186,087	170,828	156,820	143,961	132,156	121,319	111,371	102,239	93,855	86,159	77,543	77,543	
	2%																			
Capitalized Replacement Reserve		1,025	58,054	124,460	194,152	267,254	343,895	381,786	418,553	454,347	489,310	523,572	557,257	590,478	623,342	655,950	688,395	720,767	648,691	
Interest on Reserve Account	0	18	1,161	2,489	3,883	5,345	6,878	7,636	8,371	9,087	9,786	10,471	11,145	11,810	12,467	13,119	13,768	0	0	127,435
Withdrawal from Replacement Reserve																				
Contributions to Replacement Reserve	1,025	57,011	65,245	67,203	69,219	71,295	73,434	75,637	77,906	80,244	82,651	85,130	87,684	90,315	93,024	95,815	98,689	0	0	
Other Use (Expense / Capitalized)	0	0	0	0	0	0	42,421	46,506	50,483	54,368	58,175	61,917	65,609	69,260	72,883	76,488	80,085	72,077	0	
Balance before Release																				
Release to cash flow																				
Ending Balance	1,025	58,054	124,460	194,152	267,254	343,895	381,786	418,553	454,347	489,310	523,572	557,257	590,478	623,342	655,950	688,395	720,767	648,691	648,691	
Capitalized ACC Reserve		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Contributions to Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Interest on Reserve Account	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Withdrawal from Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Other Use (Expense / Capitalized)																				
Balance before Release																				
Release of Reserve to cash flow																				
Ending Balance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	2%																			
Capitalized Rev Deficit Reserve		0	580,000	591,600	603,432	615,501	627,811	640,367	653,174	666,238	679,562	693,154	707,017	721,157	735,580	750,292	765,298	780,604	780,604	
Contributions to Reserve	0	580,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Interest on Reserve Account	0	0	11,600	11,832	12,069	12,310	12,556	12,807	13,063	13,325	13,591	13,863	14,140	14,423	14,712	15,006	15,306	0	0	200,604
Withdrawal from Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Other Use (Expense / Capitalized)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Balance before Release																				
Release of Reserve to cash flow																				
Ending Balance	0	580,000	591,600	603,432	615,501	627,811	640,367	653,174	666,238	679,562	693,154	707,017	721,157	735,580	750,292	765,298	780,604	780,604	780,604	
	2%																			
Insurance & Tax Escrow (Funding Not Req.)		0	330,000	336,600	343,332	350,199	357,203	364,347	371,634	379,066	386,648	394,381	402,268	410,314	418,520	426,890	435,428	230,691	230,691	
Interest on Reserve Account	0	0	6,600	6,732	6,867	7,004	7,144	7,287	7,433	7,581	7,733	7,888	8,045	8,206	8,370	8,538	8,709	0	0	114,137
Withdrawal from Ins & Tax Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	213,445	0	0	
Contributions to Ins & Tax Reserve	0	330,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Other Use (Expense / Capitalized)																			0	
Balance before Release																				
Release of Reserve to cash flow																				
Ending Balance	0	330,000	336,600	343,332	350,199	357,203	364,347	371,634	379,066	386,648	394,381	402,268	410,314	418,520	426,890	435,428	230,691	230,691	230,691	
	2%																			
Capitalized Lease-Up Reserve		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Contributions to Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Interest on Reserve Account	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Withdrawal from Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Other Use (Expense / Capitalized)																				
Balance before Release	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Release of Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Ending Balance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	2%																			
Other Reserves		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Contributions to Other Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Interest on Reserve Account	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Withdrawal from Other Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Other Use (Expense / Capitalized)																				
Balance before Release																				
Release of Operating Reserve to cash flow																				
Ending Balance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	2%																			

Year Placed in Service 2017

Use of Reserves Analysis

Operating Reserve	Used in yrs multiple of	5	% of balance used	10%	% of use capitalized	0%
Replacement Reserve	Used in yrs multiple of	5	% of balance used	10%	% of use capitalized	90%
Revenue Deficit Reserve	Used in yrs multiple of	20	% of balance used	50%	% of use capitalized	
Insurance & Tax Escrow Reserve	Used in yrs multiple of	15	% of balance used	50%	% of use capitalized	

		2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Use of Operating Reserve		0	0	0	0	0	0	22,523	20,676	18,981	17,424	15,996	14,684	13,480	12,375	11,360	10,428	9,573	8,616
Use of Replacement Reserve		0	0	0	0	0	0	42,421	46,506	50,483	54,368	58,175	61,917	65,609	69,260	72,883	76,488	80,085	72,077
Use of Revenue Deficit Reserve		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Use of Insurance & Tax Escrow Reserve		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	213,445	0
Total Uses of Reserves		0	0	0	0	0	0	64,944	67,182	69,464	71,792	74,170	76,601	79,089	81,635	84,243	86,917	303,104	80,693
Total Currently Expensed		0	0	0	0	0	0	26,765	25,327	24,029	22,861	21,813	20,876	20,041	19,301	18,648	18,077	231,027	15,824
Total Currently Capitalized		0	0	0	0	0	0	38,179	41,855	45,435	48,931	52,357	55,726	59,048	62,334	65,595	68,840	72,077	64,869
Cumulative Capitalized		0	0	0	0	0	0	38,179	80,034	125,469	174,400	226,757	282,483	341,530	403,865	469,460	538,299	610,376	675,245
Depreciation Taken	27.5	0	0	0	0	0	0	1,388	2,910	4,562	6,342	8,246	10,272	12,419	14,686	17,071	19,575	22,195	0
Remaining Capitalized Reserve Basis		0	0	0	0	0	0	36,790	75,735	116,608	159,197	203,308	248,762	295,390	343,039	391,562	440,827	490,709	555,578
Total Deduction for Use of Reserves		0	0	0	0	0	0	28,154	28,237	28,592	29,203	30,059	31,148	32,460	33,987	35,719	37,652	253,222	15,824

	Federal LIHTC			
	Total	Acquisition	Construction	
			100%	130%
Eligible Basis	44,101,512	0	0	44,101,512
Percentage of Cost with 130% Basis Boost	100.00%			
Res Portion of Solar Credits	0		0	0
Res Portion of Historic Rehab Credit	0		0	0
Subtotal	44,101,512	0	0	44,101,512
Less: Tax Exempt Bonds	0	0	0	0
Federal and Other Grants Off Basis	0	0	0	0
Other		0	0	0
Eligible Basis	**44,101,512**	**0**	**0**	**44,101,512**
Adjustment "Hard-to-Develop Area" or Qualified Census Tract		0.00%	100.00%	130.00%
Percentage of Historic Related Costs				
Adjusted Eligible Basis	57,331,966	0	0	57,331,966
Applicable Fraction		100.00%	100.00%	100.00%
Qualified Basis	**57,331,966**	**0**	0	**57,331,966**
Qualified Basis per Application		0	0	
Rate		3.22%	3.22%	7.52%
Annual LIHTC Amount Calculated	4,311,364	0	0	4,311,364
Actual Allocation	1,805,492	0	0	1,805,492
Used in Forecast (lessor)	1,805,492	0	0	1,805,492
Total Credits	18,054,920			

	No. of Units	Fraction	Total Sq Ft	Fraction
Low Income Apts	205	100.00%	229,950	100.00%
Market Rate Apts	0	0.00%	0	0.00%
Manager Unit	1			
TOTAL	206	100.00%	229,950	100.00%
Applicable fraction (the lesser of units or sq ft)				100.00%

50% Test	
Bond Analysis 50% Test (If Applicable)	
Total Tax Exempt Bond Proceeds	0
Add'l Const Period Bond Proceeds	
Total Project Basis	44,101,512
Bond Proceeds/Aggregate Basis	0.00%

Project Assumptions

NEF Projections_Liberty Rising Phase 4 4%.xlsm
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Project Description

Project Name	Liberty Rising Phase 4	
Limited Partnership Name	Liberty Rising Phase I, LLC	
Spreadsheet Purpose (Project Status)	Shelf	
Location		
Street Address	4751 NW 24th Court	
City	Miami	
State		FL
Zip Code	33142	
County	Miami-Dade	
Census Tract #		
Type	Urban	
Current Date	7/8/15	
Sponsor #1	Miami Redevelopment Partners, LLC	
Sponsor #1 - Tax Status	For Profit	
Sponsor #2		
Sponsor #2 - Tax Status		
Deal Source	NEF	
1 # of Residential Buildings	# Total Buildings	1
Total Number of Residential Units		187
Construction Type	New	
Target Population	Family	
Effective Tax Rate		35%
State Tax Rate (CA only)		
Rehab with Tenants in place?		N
4% or 9% credit deal?		4%
Tax exempt bond deal? (Y/N)		Y
Use Building by Building Depreciation Schedule (Y/N)		
QCT / DDA (Indicate Which)	QCT	
130% Boost (enter %, 101% - 130%)		130%
Is 3rd party buying state credits ?		N
SMT #		
Date Deal Secured		
Building Type	Multifamily	

Timing Assumptions

NEF Admission to Partnership	1/1/19
NEF Initial Funding	1/1/19
Construction Start	1/1/19
Placed in Service	12/1/19
Permanent Loan Closing	6/1/20
Projected First Credit Year	2019
Sale of Project	12/31/35

Partnership Information

Is Developer Cash Basis? (Y/N)	N	
General Partner Tax Exempt (Y/N)	N	
Co-General Partner Tax Exempt (Y/N)	N	
Lower-Tier LP Profit/Loss & Credits Share	99.99%	
Lower-Tier GP Profit/Loss & Credit Share	0.01%	
Sale Proceeds Share - LP Portion	10.00%	
Sale Proceeds Share - GP Portion	90.00%	
Deferred Developer Fee Interest Rate		
Applicable Fed. Rate (AFR)	2.74%	Jul-15
Lower-Tier LP Cash Flow Distribution Percentage	99.99%	
Length of LURA	30	

Escalators

Annual Residential Rent Increase - LIHTC	2.00%
-Subsidized	2.00%
Annual Residential Rent Increase - Mkt	2.00%
Residential Vacancy Rate - LIHTC	7.00%
-Subsidized	7.00%
-Mkt	7.00%
Annual Commercial Rent Increase	2.00%
Commercial Vacancy Rate	7.00%
Alternate escalation table being used	
Other Income Growth Rate	2.00%
Annual Expense Increase	3.00%

Reserves and Fees

	Y/N	$ Amt or % of EGI	Accrue Fee/Funding (Y/N)	Interest Earnings Rate	Growth Rate	Estimated Reserve Amount per Unit	Target Reserve Amount
Annual Funding of Replacement Reserve	Y	56,100		2.00%	3.00%	$300	
Annual Funding of Operating Reserve				2.00%	3.00%		
Annual Funding of Rev Deficit Reserve				2.00%	3.00%		
Annual NEFAsset Management Fee	Y	5,000		2.00%	3.00%		
Annual Partnership Mgmt Fee to GP	Y	7,500		2.00%	3.00%		
Management Incentive Fee							
Annual Funding of Ins & Tax Escrow				2.00%	3.00%		
Annual Funding of Other Reserves				2.00%	3.00%		

Project Assumptions

NEF Projections_Liberty Rising Phase 4 4%.xlsm
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Tax Credit Information				
Acquisition Credit Rate	3.22%	Date	7/1/15	
Construction / Rehab Credit Rate	7.52%	Date	7/1/15	
Credit Rate Locked-In? (Y/N)	N	Date		
Annual Tax Credit frm Tax Credit Res	$1,646,598		Year of allocation	2015
Annual Tax Credit - 2nd year allocation			Elected set-aside	
Total Annual Tax Credit Allocation	$1,646,598		($2,285,616)	Unallocated
Total Annual Rehab Credit Allocated	$1,646,598			
Total Annual Acq Credit Allocated	$0			
Total LIHTC Basis+Land+Commercial	40,223,139			
10% Carryover Test Required (Y/N)	N			
Due Date of 10% Carryover				
Eligible for Solar Credits? (Y/N)	N			
Eligible for Acquisition Credit? (Y/N)	N			
Eligible for Cal State Tax Credit? (Y/N)	N			
Tax Credit Allocated				
Eligible for State LIHTC Credit? (Y/N)	N			
Tax Credit Allocated				
State LIHTC Credit - Number of Years				
Eligible for Historic Rehab Credit? (Y/N)	N			
Eligible for State Historic Tax Credit? (Y/N)	N		Number of Years	
State Historic Credit Percentage				

Other Annual Income	
Laundry	11,160
Vending	
Other Income	
TOTAL	11,160

Is 168 election required

Tax Exempt Bond Financing	
Bond Issuer	
Credit Enhancement Type	
Enhancement Provided by	
Bond Purchaser:	
Date of Bond Issuance	
Are These Draw Down Bonds	

Peredevelopment loan

NEF Regional Team:	
VP Originations	Tony Lyons
VP Supportive Housing	
Originations Manager	Sandra Seals
Originations Analyst	
VP Project Management	
Project Manager	
Constructions Risk Manager	
VP Asset Management	
Asset manager	

Project Characteristics Choose all that apply

# Bdrms	# Bath rooms	Description	# Units	Median Income Targeted	Description of Units	Developer Rent	NEF LIHTC Rent	HUD FMR	S8 Pymt Standard	Tenant Pd Utility	Market Units Rent	Average Market Rent	During Contract	After Contract	Subsidy Type	Term (yrs)	Stressed Term (yrs)	Monthly Comm Income	Total Monthly Income	Stressed Income Escalator	Sq Ft / Unit	Total Sq Ft	Max LIHTC Rent @ target AMI	% of Rent Below LIHTC Max	After Contract Rent % Below LIHTC Max	Rent As Max % of Income	% of AMI of After Contract Rents	% of Rent Below Avg Market Rent
1	1.0	LIHTC Subsidized	3	50%						66			497	497	ction 8 - PHA Project Based Vouch	15	5		1,491	2.00%	650	1,950	635	11%	11%	60.2%	60%	#DIV/0!
1	1.0	LIHTC Subsidized	2	50%						66.00			914	914	ction 8 - PHA Project Based Vouch	15	5		1,828	2.00%	650	1,300	635	-54%	-54%	104.7%	105%	#DIV/0!
1	2.0	LIHTC	18	60%		696	696			66.00									12,528	2.00%	650	11,700	762	0%		81.4%		#DIV/0!
2	2.0	LIHTC Subsidized	35	50%						84.00			603	603	ction 8 - PHA Project Based Vouch	15	5		21,105	2.00%	1,100	38,500	762	10%	10%	61.2%	61%	#DIV/0!
2	2.0	LIHTC Subsidized	22	50%						84.00			1,173	1,173	ction 8 - PHA Project Based Vouch	15	5		25,806	2.00%	1,100	24,200	762	-65%	-65%	112.0%	112%	#DIV/0!
2	2.0	LIHTC	33	60%		831	831			84.00			1,648	1,648	ction 8 - PHA Project Based Vouch	15	5		81,807	2.00%	1,100	36,300	914	-90%	-90%	154.3%	154%	#DIV/0!
3	2.0	LIHTC Subsidized	13	50%						105.00			771	771	ction 8 - PHA Project Based Vouch	15	5		10,023	2.00%	1,250	16,250	880	0%	0%	67.5%	68%	#DIV/0!
3	2.0	LIHTC Subsidized	11	50%						105.00			1,616	1,616	ction 8 - PHA Project Based Vouch	15	5		17,776	2.00%	1,250	13,750	880	-96%	-96%	132.6%	133%	#DIV/0!
3	2.0	LIHTC	20	60%		951	951			105.00									19,020	2.00%	1,250	25,000	1,056	0%		81.4%		#DIV/0!
4	2.0	LIHTC Subsidized	10	50%						137.00			902	902	ction 8 - PHA Project Based Vouch	15	5		9,020	2.00%	1,350	13,500	982	-6%	-6%	71.8%	72%	#DIV/0!
4	2.0	LIHTC Subsidized	11	50%						137.00			1,888	1,888	ction 8 - PHA Project Based Vouch	15	5		20,768	2.00%	1,350	14,850	982	-106%	-106%	139.9%	140%	#DIV/0!
5	2.0	LIHTC Subsidized	9	50%						137.00			1,037	1,037	ction 8 - PHA Project Based Vouch	15	5		9,333	2.00%	1,450	13,050	1,083	-8%	-8%	73.5%	74%	#DIV/0!
																				2.00%	1,100							
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																				2.00%								
Total Units	187															15	5											

Commercial Units	0	Percent Residential	100.00%
Residential Units	187	BE Occupancy	37.97%
Manager Units	0	http://www.huduser.org/portal/datasets/mtsp.html	

HUD Income			
Median Income / Family of 4	49,900		
As Of (Date)	3/6/15	Date AMI checked	7/6/15
Location	Miami Dade County	Rent floor election year	
AMI source	HUD		

	LIHTC	Market	Commercial	Subsidized	TOTAL	Garages	Day Care Bldg
Total Units	71	0	0	116	187		
Monthly Rent	58,971	0	0	171,534	230,505		
Annual Rent	707,652	0	0	2,058,408	2,766,060	0	0
Total RentableSq Ftg	73,000	0	0	137,350	210,350		

0	Total Commercial Sq Ft
	Is Commercial Space a Master Lease (Y/N)
0	Commercial Rent per Sq Ft
	Type of Lease NN or NNN)
	Is Commercial Space Eligible for Historic Credits

AMI Analysis		% Change
2009	55,900	
2010	45,200	-19.14%
2011	49,200	8.85%
2012	50,800	3.25%
2013	52,200	2.76%
2014	51,900	-0.57%
2015	52,600	1.35%
2016	49,000	-6.84%
2017	48,400	-1.22%
2018	49,900	3.10%
2019		0.00%
		-0.94%

Source: huduser.org

4 person very low income: 33,850

	Utilities	Source	Date
Tenant Paid	Gas & Electric	PHCD	
Owner Paid	Trash and Water	PHCD	

Max LIHTC Income and Rents

# BDRMS	Family Size	Adj Factor	50%		60%									
			Income	Rent	Income	Rent	Income	Rent	Income	Rent	Income	Rent	Income	Rent
0	1	0.70	23,695	592	28,434	711	0	0	0	0	0	0	0	0
1	1.5	0.75	25,388	635	30,465	762	0	0	0	0	0	0	0	0
	2	0.80	27,080	677	32,496	812	0	0	0	0	0	0	0	0
2	3	0.90	30,465	762	36,558	914	0	0	0	0	0	0	0	0
	4	1.00	33,850	846	40,620	1,016	0	0	0	0	0	0	0	0
3	4.5	1.04	35,204	880	42,245	1,056	0	0	0	0	0	0	0	0
	5	1.08	36,558	914	43,870	1,097	0	0	0	0	0	0	0	0
4	6	1.16	39,266	982	47,119	1,178	0	0	0	0	0	0	0	0
	7	1.24	41,974	1,049	50,369	1,259	0	0	0	0	0	0	0	0
5	7.5	1.28	43,328	1,083	51,994	1,300	0	0	0	0	0	0	0	0
	8	1.32	44,682	1,117	53,618	1,340	0	0	0	0	0	0	0	0

1.63

% of funding	Required Loans / Source of Funds / Lender Name	Principal	Debt / Unit	Payment Type	Interest Rate	Perm Loan Closing Date	1st Pay Date	Amort Yrs	Term Yrs	Recourse Y/N)	Sponsor/Related Party	Is lender related to investor	Source	Conversion Requirements
30.41%	First Mortgage	13,710,000	73,316	Amortizing	6.25%	6/1/20	7/1/17	35	35	N	N	N	Private Lender	
0.00%			0											
0.00%			0											
0.00%			0											
0.00%			0											
		13,710,000	**73,316**											
	Contingent Loans / Lender Name													
9.94%	County General Obligation Bonds	4,481,221	23,964	Amortizing	2.37%	1/1/19	2/1/16	35	35	N	N		County Loan Sources	
2.43%	PHCD Documentary Surtax Fund	1,097,345	5,868	Amortizing	2.37%	1/1/16	2/1/16	35	35	N	N		County Loan Sources	
3.25%	PHCD CFFP	1,463,127	7,824	Amortizing	2.37%	1/1/16	2/1/16	35	35	N	N		County Loan Sources	
0.34%	Other Public and Private Funds	155,000	829	Amortizing	2.37%	1/1/16	2/1/16	35	35	N	N		Other	
11.09%	FHFC SAIL Loan	5,000,000	26,738	Simple	0.00%	1/1/19	2/1/16	35	35	N	N		State Loans	
1.30%	FHFC ELI Loan	585,023	3,128	Simple	0.00%	1/1/19	2/1/16	35	35	N	N		State Loans	
1.05%	RAD Subsidy During Construction	474,884	2,539	Amortizing	2.37%	1/1/19	2/1/16	35	35	N	N		Other	
0.00%			0											
	Subtotal Contingent Loans	**13,256,600**	**70,891**											

	Grants		Comments	Fed Grant ? (Y/N)
0.00%				
0.00%				
	Subtotal Grants	**0**		

	Other Sources		Comments			
0.00%	State Tax Equity Provider	0				
0.00%	Cash Flow from Operations	0	Percentage of cash flow from operations to fund deal	0%	No of Yrs	2
0.00%						
0.00%						
0.00%						
0.00%						
0.00%	GP Capital	100				
0.00%	Developer Fee via Cash Flow	0	#N/A Year DDF Paid Off			
40.18%	NEF Equity	18,110,767	DDF paid on RA page			
	Subtotal Other Sources	**18,110,867**				
100.00%	**Total Sources**	**45,077,467**				

Construction Financing

Construction Lender	Principal	Interest Rate	Conversion Date	Maturity Date	Comments	Bond Financing (Y/N)
First Mortgage	21,300,000	4.75%	6/1/20	6/1/20		

Development Costs

Uses of Funds		Total	Per Sq Ft	Per Unit	Depreciable Basis	NC/Rehab Eligible Basis	Acquisition Eligible Basis	Commercial Costs	Non-Depreciable	Amortized	Yrs	Expensed	Historic Basis	Bond Basis	Check	Comments
Land	0%		0	0	0	X	0	0	0	0		0	X	0	0	
Building	0		0	0	0	X	0	0	0	0	0	0	X	0	0	
Acquisition Legal Costs			0	0	0	X	0	0	0	0		0	X	0	0	
Other acquisition costs - holding costs			0	0	0	X	0	0	0	0		0	X	0	0	
Other acquisition costs			0	0	0	X	0	0	0	0		0	X	0	0	
Off-Site Improvements		1,860,000	9	9,947	0	X	0	0	1,860,000	0		0	X	0	0	
Site Work - Bldg Life Depr (Utility & Sewer Lines)			0	0	0	0	0	0	0	0		0	X	0	0	
Site Work - Non Depr (Grading, Demolition, Land Clearing)		899,496	4	4,810	0	0	0	0	899,496	0		0	X	0	0	
Site Work - 15 Year Depr (Landscaping, fine grading, sidewalks)			0	0	0	0	0	0	0	0		0	X	0	0	
Basic Construction Retention %		22,379,743	106	119,678	22,379,743	22,379,743	0	0	0	0		0	0	22,379,743	0	
Personal Property			0	0	0	0	0	0	0	0		0		0	0	
Gen. Req., Builder's OH & Profit	14.04%	3,268,101	16	17,476	3,268,101	3,268,101	0	0	0	0		0	0	3,268,101	0	
Other Construction Hard Costs - Solar			0	0	0	0	0	0	0	0		0	0	0	0	
Other Construction Hard Costs			0	0	0	0	0	0	0	0		0	0	0	0	
Other Construction Hard Costs			0	0	0	0	0	0	0	0		0	0	0	0	
CONSTRUCTION CONTINGENCY	4.42%	1,256,962	6	6,722	1,256,962	1,256,962	0	0	0	0		0	0	1,256,962	0	
Payment and Performance Bond		251,392	1	1,344	251,392	251,392	0	0	0	0		0	0	251,392	0	
Architect/Design		670,000	3	3,583	670,000	670,000	0	0	0	0		0	0	670,000	0	
Construction Management/Architect Supervision		180,000	1	963	180,000	180,000	0	0	0	0		0	0	180,000	0	
Construction Permits and Fees			0	0	0	0	0	0	0	0		0	0	0	0	
Lender or NEF Inspection fee		16,000	0	86	16,000	16,000	0	0	0	0		0	0	16,000	0	
Engineering		360,000	2	1,925	360,000	360,000	0	0	0	0		0	0	360,000	0	
Environmental Reporting and Abatement		25,000	0	134	25,000	25,000	0	0	0	0		0	0	25,000	0	
Geotechnical Study/Soil Borings		70,000	0	374	70,000	70,000	0	0	0	0		0	0	70,000	0	
Other Construction Soft Costs		75,000	0	401	75,000	75,000	0	0	0	0		0	0	75,000	0	
Other Construction Soft Costs			0	0	0	0	0	0	0	0		0	0	0	0	
Construction Loan Origination Fee		306,029	1	1,637	306,029	306,029	0	0	0	0	20	0	0	306,029	0	
CONSTRUCTION LOAN INTEREST IN BASIS	#N/A	505,875	2	2,705	505,875	505,875	0	0	0	0		0	0	505,875	0	
CONSTRUCTION LOAN INTEREST EXPENSED		505,875	2	2,705	0	0	0	0	0	0		505,875	0	0	0	
Construction Period RE Taxes		60,000	0	321	60,000	60,000	0	0	0	0		0	0	60,000	0	
Construction Period Insurance		650,000	3	3,476	650,000	650,000	0	0	0	0		0	0	650,000	0	
Negative Arbitrage, costs of issuance, LOC fees		1,686,073	8	9,016	1,686,073	1,686,073	0	0	0	0		0	0	1,686,073	0	
Appraisal		13,000	0	70	13,000	13,000	0	0	0	0		0	0	13,000	0	
Market Study		12,000	0	64	12,000	12,000	0	0	0	0		0	0	12,000	0	
Survey		30,000	0	160	30,000	30,000	0	0	0	0		0	0	30,000	0	
Predevelopment Loan Interest and Fees			0	0	0	0	0	0	0	0	15	0	0	0	0	
Consulting Fees			0	0	0	0	0	0	0	0	15	0	0	0	0	
"Project" Bridge Loan Interest in Basis			0	0	0	0	0	0	0	0		0	0	0	0	
Loan Origination Fee - Permanent			0	0	0	0	0	0	0	0	35	0	0	0	0	
Title & Recording		280,000	1	1,497	252,000	252,000	0	0	28,000	0	10	0	0	252,000	0	
Legal - Syndication/Organization		0	0	0	0	0		0	0	0	15	0	0	0	0	
Legal - Bond/Perm Loan			0	0	0	0	0	0	0	0	35	0	0	0	0	
Legal - Construction		255,000	1	1,364	255,000	255,000	0	0	0	0		0	0	255,000	0	
Due Diligence - NEF		52,000	0	278	0	0	0	0	52,000	0		0	0	0	0	
Tax Credit Allocation Fee		131,728	1	704	0	0	0	0	0	131,728	10	0	0	0	0	
Tax Credit Compliance Fees		109,505	1	586	0	0	0	0	0	109,505	10	0	0	0	0	
Lease-up and Marketing Costs		213,632	1	1,142	0	0	0	0	0	213,632	1	0	0	0	0	
Accounting/Post Const. Audit		35,000	0	187	0	0	0	0	0	0		35,000	0	0	0	
Soft Cost Contingency		310,537	1	1,661	310,537	310,537	0	0	0	0		0	0	310,537	0	
Other Soft Costs		234,933	1	1,256	234,933	234,933	0	0	0	0	2	0	0	234,933	0	
Other Soft Costs		338,505	2	1,810	338,505	338,505	0	0	0	0		0	0	338,505	0	
Other Soft Costs		250,000	1	1,337	250,000	250,000	0	0	0	0		0	0	250,000	0	
Developer Fee - Construction	100%	6,766,989	32	36,187	6,766,989	6,766,989	0	0	0	0		0	0	6,766,989	0	
Developer Fee - Acquisition	0%		0	0	0		0	0	0	0		0	0	0	0	
Developer Fee - Other			0	0	0	0	0	0	0	0		0	0	0	0	
Initial Operating Reserve	1.11	186,000	1	995	0	0	0	0	186,000	0		0	X	0	0	
Capitalized Replacement Reserve	0		0	0	0	0	0	0	0	0		0	X	0	0	
Capitalized ACC Reserve			0	0	0	0	0	0	0	0		0	X	0	0	
Capitalized Rev Deficit Reserve	3	530,000	3	2,834	0	0	0	0	530,000	0		0	X	0	0	
Capitalized Ins & Tax Escrow		300,000	1	1,604	0	0	0	0	300,000	0		0	X	0	0	
Capitalized Lease-Up Reserve			0	0	0	0	0	0	0	0		0	X	0	0	
Other Reserves			0	0	0	0	0	0	0	0		0	X	0	0	
Other Reserves			0	0	0	0	0	0	0	0		0	X	0	0	
Other Reserves				0	0	0	0	0	0	0		0	X	0	0	
Accrued Contingent Loan Interest		177,821			0	0	0	0	0	0		0	0	0	177,821	
Total Uses		45,074,375	214	241,039	40,223,139	40,223,139	0	0	3,855,496	454,865		540,875	0	40,223,139	0	

Sources/Uses Surplus (Gap)	3,092

Lease-Up Schedule / Credit Delivery

Number of Residential Units	187	First Building Placed in Service	12/1/19	Acquisition Credits Allocated/yr	0
Number of Tax Credit Units	187	Last Building Placed in Service	12/1/19	LIHTCs Allocated @ 100%/yr	0
Number of Market Units	0	Construction Contract Completion Date		LIHTCs Allocated @ 130%/yr	1,646,598
Commercial Square Footage	0			Cal State Credits Allocated @ 100%	0
Square Footage of Building	210,350			Cal State Credits Allocated @ 130%	0
Start of Construction	1/1/19			State Credits Allocated	0
Completion/CofO/Placed in Service	12/1/19			Historic Credits Allocated	0
Start of Leasing/Move-in Date	12/1/19	Absorption (avg units/month) per market study	50	State Historic Credits Allocated	0
100% Lease-Up/Qualified Occupancy	4/1/20	Absorption (avg units/month) per model	37	Solar Credits	0
Start of QO Tax Credit Units PIS	12/1/2019				
Construction Period	11				

Year	Tax Credit Units Leased (Income)	Cumulative TC Units Leased	Tax Credit Units Leased (Credits)	Non TC Units Leased	Cumulative Non TC Units Leased	Commercial Sq Ft Leased	Tax Credit Rental Income	Commercial Income	Non Tax Credit Rental Income	Total Rental Income	Rehab Tax Credits	Acq Tax Credits	Total Tax Credits
Jan-19		0			0		0	0	0	0	0	0	0
Feb-19		0			0		0	0	0	0	0	0	0
Mar-19		0			0		0	0	0	0	0	0	0
Apr-19		0			0		0	0	0	0	0	0	0
May-19		0			0		0	0	0	0	0	0	0
Jun-19		0			0		0	0	0	0	0	0	0
Jul-19		0			0		0	0	0	0	0	0	0
Aug-19		0			0		0	0	0	0	0	0	0
Sep-19		0			0		0	0	0	0	0	0	0
Oct-19		0			0		0	0	0	0	0	0	0
Nov-19		0			0		0	0	0	0	0	0	0
Dec-19	37	37	37		0		45,608	0	0	45,608	27,150	0	27,150
TOTAL	**37**	**37**	**37**	**0**	**0**		**45,608**	**0**	**0**	**45,608**	**27,150**	**0**	**27,150**

Year	Tax Credit Units Leased (Income)	Cumulative Tax Credit Units Leased	Tax Credit Units Leased (Credits)	Non Tax Credit Units Leased	Cumulative Non Tax Credit Units	Commercial Sq FT Leased	Tax Credit Rental Income	Commercial Income	Non Tax Credit Rental Income	Total Rental Income	Rehab Tax Credits	Acq Tax Credits	Total Tax Credits
Jan-20	37	74	37		0		91,216	0	0	91,216	325,797	0	325,797
Feb-20	37	111	37		0		136,824	0	0	136,824	298,648	0	298,648
Mar-20	37	148	37		0		182,432	0	0	182,432	271,498	0	271,498
Apr-20	39	187	39		0		230,505	0	0	230,505	257,556	0	257,556
May-20		187			0		230,505	0	0	230,505	0	0	0
Jun-20		187			0		230,505	0	0	230,505	0	0	0
Jul-20		187			0		230,505	0	0	230,505	0	0	0
Aug-20		187			0		230,505	0	0	230,505	0	0	0
Sep-20		187			0		230,505	0	0	230,505	0	0	0
Oct-20		187			0		230,505	0	0	230,505	0	0	0
Nov-20		187			0		230,505	0	0	230,505	0	0	0
Dec-20		187			0		230,505	0	0	230,505	0	0	0
Credits from QO Units PIS in 2019											**325,797**	**0**	**325,797**
TOTAL	**150**	**187**	**150**	**0**	**0**		**2,485,016**	**0**	**0**	**2,485,016**	**1,479,297**	**0**	**1,479,297**

Lease-Up Schedule / Credit Delivery

Year	Tax Credit Units Leased (Income)	Cumulative Tax Credit Units Leased	Tax Credit Units Leased (Credits)	Non Tax Credit Units Leased	Cumulative Non Tax Credit Units	Commercial Sq FT Leased	Tax Credit Rental Income	Commercial Income	Non Tax Credit Rental Income	Total Rental Income	Rehab Tax Credits	Acq Tax Credits	Total Tax Credits
Jan-21		187			0		230,505	0	0	230,505	0	0	0
Feb-21		187			0		230,505	0	0	230,505	0	0	0
Mar-21		187			0		230,505	0	0	230,505	0	0	0
Apr-21		187			0		230,505	0	0	230,505	0	0	0
May-21		187			0		230,505	0	0	230,505	0	0	0
Jun-21		187			0		230,505	0	0	230,505	0	0	0
Jul-21		187			0		230,505	0	0	230,505	0	0	0
Aug-21		187			0		230,505	0	0	230,505	0	0	0
Sep-21		187			0		230,505	0	0	230,505	0	0	0
Oct-21		187			0		230,505	0	0	230,505	0	0	0
Nov-21		187			0		230,505	0	0	230,505	0	0	0
Dec-21		187			0		230,505	0	0	230,505	0	0	0
Credits from QO Units PIS in 2019											**325,797**	**0**	**325,797**
Credits from QO Units PIS in 2020											**1,320,801**	**0**	**1,320,801**
TOTAL	**0**	**187**	**0**	**0**	**0**		**2,766,060**	**0**	**0**	**2,766,060**	**1,646,598**	**0**	**1,646,598**
		units agree	units agree		units agree	sq ft agrees							

	Credits	Price/Credit	Equity
Federal LIHTC Credits	16,464,333	1.100	18,110,767
Federal Historic Tax Credits	0		0
State LIHTC Credits Purchased by NEF	0		0
State Historic Credits Purchased by NEF	0		0
Solar Credits	0		0
Total Limited Partner Equity			**18,110,767**

"

State LIHTC Credits Purchased by a 3rd Party		
3rd Party Buyer		
State Historic Credits Purchased by a 3rd Party		
3rd Party Buyer		
Total		**18,110,767**

Equity Installments

Payment	Project Milestone	Date	Qtr Paid	Development Costs Percent	Project Cost	Developer Fee Percent	Developer Fee	Total Reserves Payment	NEF Reserves	Total Equity Paid	Total Equity Percent	3rd Party Equity	NEF and 3rd Party EQUITY
1	NEF Closing/Construction Start	1/1/19	3/31/19	10.00%	1,032,778	25.00%	1,691,747		0	2,724,525	15.04%	0	2,724,525
2	25% Construction Complete	4/1/19	6/30/19	15.00%	1,549,167	15.00%	1,015,048		0	2,564,215	14.16%	0	2,564,215
3	50% Construction Complete	8/1/19	9/30/19	15.00%	1,549,167	15.00%	1,015,048		0	2,564,215	14.16%	0	2,564,215
4	75% Construction Complete	10/1/19	12/31/19	15.00%	1,549,167	15.00%	1,015,048		0	2,564,215	14.16%	0	2,564,215
5	100% Construction Complete/ Placed in Service/ CO	12/1/19	12/31/19	20.00%	2,065,556	25.00%	1,691,747		0	3,757,303	20.75%	0	3,757,303
6	Stabilization / Conversion / Final Cost Cert / 8609	6/1/20	6/30/20	25.00%	2,581,944	5.00%	338,349	1,016,000	1,016,000	3,936,294	21.73%	0	3,936,294
7	Tax Return				0		0		0	0	0.00%	0	0
8					0		0		0	0	0.00%	0	0
9					0		0		0	0	0.00%	0	0
10					0		0		0	0	0.00%	0	0
TOTAL				100.00%	10,327,778	100.00%	6,766,989	1,016,000	1,016,000	18,110,767	100.00%	0	18,110,767
					10,327,778					Equity Agrees		Equity Agrees	

Developer Fee	
Maximum Deferred Fee Percentage	50.00%
Developer Fee	6,766,989
From Cash Flow	0
From Equity	6,766,989
Percentage of Fee Deferred	0.00%

Operating Expenses

	Units 187	Annual Expense	Per Unit	Escalator	Comments	calculated property mgmt fee	alternate property mgmt fee calculation
General & Administrative	Property Management Fee	59,368	317	3.00%		2.34%	
	Misc. Prop. Mgmt. Fees	117,997	631	3.00%			
	Accounting/Auditing		0	3.00%			59,368
	Legal		0	3.00%			
	Office Supplies & Expense		0	3.00%			
	Telephone Answering Service		0	3.00%			
	Other - LIHTC Compliance Monitoring		0	3.00%			
	Other - Misc. Admin.		0	3.00%			
		177,365	948				
Payroll & Related	Administrative Payroll		0	3.00%			
	Maintenance Payroll		0	3.00%			
	Repair Payroll		0	3.00%			
	Payroll Taxes		0	3.00%			
	Fringe Benefits		0	3.00%			
	Other		0	3.00%			
		0	0				
						Owner Paid	Tenant Paid
Utilities	Electric (Common Area)		0	3.00%			
	Gas/Fuel Oil/Coal (Common Area)		0	3.00%			
	Water & Sewer		0	3.00%			
	Electric (for Units)		0	3.00%			
	Gas/Fuel Oil/Coal (for Units)		0	3.00%			
	Other		0	3.00%			
		0	0				
Maintenance & Repair	Cleaning (Janitorial)		0	3.00%			
	Elevator Maintenance		0	3.00%			
	Exterminating		0	3.00%			
	Fire Alarm Inspection		0	3.00%			
	Grounds Maintenance	816,315	4,365	3.00%			
	Grounds Maintenance Contract		0	3.00%			
	Painting & Decorating/Make-ready		0	3.00%			
	Repairs		0	3.00%			
	Repairs Contract		0	3.00%			
	Security		0	3.00%			
	Supplies		0	3.00%			
	Trash Removal/Snow Removal		0	3.00%			
	Vehicle/Equipment Maintenance		0	3.00%			
	Other - Misc Ops and Maint Expenses		0	3.00%			
	Reserves		0	3.00%			
		816,315	4,365				
Market & Leasing	Advertising		0	3.00%			
	Credit Investigations		0	3.00%			
	Leasing Fees		0	3.00%			
	Other		0	3.00%			
		0	0				
Taxes & Insurance	Insurance - Liability		0	3.00%			
	Other Taxes, Licenses & Fees		0	3.00%			
	Real Estate Taxes		0	3.00%			
	Property/Liability (Hazard)		0	3.00%			
	Other		0	3.00%			
		0	0				

Total Annual Operating Budget 993,680

Annual Operating Budget per Unit (PUPA) **5,314**

Is the project providing a washer/dryer in unit(s) Y/N

Which units are provided w/washer & dryer

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	Sale 2035	0	0	TOTAL
Project Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	
% of Year in Operation	1.65%	89.84%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	0.00%	0.00%	
LIHTC and Subsidized Vacancy Override																				
INCOME																				
Gross Rent Paid - LIHTC Units 2.00%	11,668	635,752	736,241	750,966	765,985	781,305	796,931	812,870	829,127	845,710	862,624	879,876	897,474	915,423	933,732	952,406	971,455	0	0	13,379,545
Gross Rent Paid - Sub Units Increase 2.00%	33,940	1,849,265	2,141,568	2,184,399	2,228,087	2,272,649	2,318,102	2,364,464	2,411,753	2,459,988	2,509,188	2,559,372	2,610,559	2,662,770	2,716,026	2,539,484	0	0	0	35,861,612
Gross Rent Paid - After Contract 2.00%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	230,862	2,825,753	0	0	3,056,615
Market Rent	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Gross Residential Income	**45,608**	**2,485,016**	**2,877,809**	**2,935,365**	**2,994,072**	**3,053,954**	**3,115,033**	**3,177,333**	**3,240,880**	**3,305,698**	**3,371,812**	**3,439,248**	**3,508,033**	**3,578,194**	**3,649,757**	**3,722,753**	**3,797,208**	**0**	**0**	52,297,772
LIHTC Vacancy @ 7.0%	(817)	(44,503)	(51,537)	(52,568)	(53,619)	(54,691)	(55,785)	(56,901)	(58,039)	(59,200)	(60,384)	(61,591)	(62,823)	(64,080)	(65,361)	(66,668)	(68,002)	0	0	(936,568)
Subsidized Residential Vacancy @ 7.0%	(2,376)	(129,449)	(149,910)	(152,908)	(155,966)	(159,085)	(162,267)	(165,512)	(168,823)	(172,199)	(175,643)	(179,156)	(182,739)	(186,394)	(190,122)	(193,924)	(197,803)	0	0	(2,724,276)
Market Residential Vacancy @ 7.0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Income / yr @ 2% increase / yr	184	10,227	11,611	11,843	12,080	12,322	12,568	12,819	13,076	13,337	13,604	13,876	14,154	14,437	14,725	15,020	15,320	0	0	211,202
Other Income Vacancy @ 7.0%	(13)	(716)	(813)	(829)	(846)	(863)	(880)	(897)	(915)	(934)	(952)	(971)	(991)	(1,011)	(1,031)	(1,051)	(1,072)	0	0	(14,784)
Commercial @ 2% increase / yr	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Commercial Vacancy @ 7.0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Income																				0
Total Effective Gross Income from Project	**42,587**	**2,320,576**	**2,687,160**	**2,740,904**	**2,795,722**	**2,851,636**	**2,908,669**	**2,966,842**	**3,026,179**	**3,086,703**	**3,148,437**	**3,211,405**	**3,275,633**	**3,341,146**	**3,407,969**	**3,476,128**	**3,545,651**	**0**	**0**	48,833,346
EXPENSES																				
GENERAL & ADMINISTRATIVE	2,924	164,124	188,167	193,812	199,626	205,615	211,783	218,137	224,681	231,421	238,364	245,515	252,880	260,466	268,280	276,329	284,619	0	0	3,666,742
PAYROLL & RELATED	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
UTILITIES	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
MAINTENANCE & REPAIR	13,460	755,375	866,029	892,009	918,770	946,333	974,723	1,003,964	1,034,083	1,065,106	1,097,059	1,129,971	1,163,870	1,198,786	1,234,750	1,271,792	1,309,946	0	0	16,876,026
MARKETING & LEASING	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TAXES & INSURANCE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
OTHER EXPENSES																				0
Total Expenses	**16,384**	**919,499**	**1,054,195**	**1,085,821**	**1,118,396**	**1,151,947**	**1,186,506**	**1,222,101**	**1,258,764**	**1,296,527**	**1,335,423**	**1,375,486**	**1,416,750**	**1,459,253**	**1,503,030**	**1,548,121**	**1,594,565**	**0**	**0**	20,542,768
Replacement Reserve (Funding Req.) @$300	925	51,912	59,516	61,302	63,141	65,035	66,986	68,996	71,066	73,198	75,394	77,656	79,985	82,385	84,856	87,402	90,024	0	0	1,159,779
Total Expenses including Replacement Reserve	**17,309**	**971,411**	**1,113,712**	**1,147,123**	**1,181,537**	**1,216,983**	**1,253,492**	**1,291,097**	**1,329,830**	**1,369,725**	**1,410,817**	**1,453,141**	**1,496,735**	**1,541,637**	**1,587,886**	**1,635,523**	**1,684,589**	**0**	**0**	21,702,547
NET OPERATING INCOME	**25,277**	**1,349,165**	**1,573,449**	**1,593,781**	**1,614,185**	**1,634,653**	**1,655,177**	**1,675,745**	**1,696,349**	**1,716,978**	**1,737,620**	**1,758,264**	**1,778,898**	**1,799,509**	**1,820,083**	**1,840,605**	**1,861,062**	**0**	**0**	27,130,799
ECR	2.46	2.39	2.41	2.39	2.37	2.34	2.32	2.30	2.28	2.25	2.23	2.21	2.19	2.17	2.15	2.13	2.10	0.00	0.00	
Req'd ECR 1.05 Cash needed for ECR	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
DEBT SERVICE (MUST-PAY))																				
First Mortgage Loan																				
Principal Pmt. - First Mortgage	112,160	119,374	127,053	135,225	143,923	153,180	163,033	173,520	184,681	196,560	209,203	222,659	236,981	252,224	268,448	285,715	304,092	0	0	3,288,030
Interest Pmt. - First Mortgage	0	846,484	838,806	830,633	821,935	812,678	802,825	792,339	781,177	769,298	756,655	743,199	728,877	713,634	697,411	680,144	661,766	0	0	12,277,862
Loan Servicing and/or MIP Fees	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total Debt Service - First Mortgage	112,160	965,858	965,858	965,858	965,858	965,858	965,858	965,858	965,858	965,858	965,858	965,858	965,858	965,858	965,858	965,858	965,858	0	0	15,565,892
Cash-flow after debt service - 1st	**(86,883)**	**383,306**	**607,590**	**627,922**	**648,327**	**668,795**	**689,318**	**709,887**	**730,491**	**751,120**	**771,762**	**792,406**	**813,040**	**833,651**	**854,224**	**874,747**	**895,204**	**0**	**0**	**11,564,908**
Debt coverage ratio after 1st mortgage	0.23	1.40	1.63	1.65	1.67	1.69	1.71	1.73	1.76	1.78	1.80	1.82	1.84	1.86	1.88	1.91	1.93	0.00	0.00	
Second Mortgage Loan																				
Principal Pmt. -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest Pmt. -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Loan Servicing and/or MIP Fees	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total Debt Service -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash-flow after debt service - 2nd	**(86,883)**	**383,306**	**607,590**	**627,922**	**648,327**	**668,795**	**689,318**	**709,887**	**730,491**	**751,120**	**771,762**	**792,406**	**813,040**	**833,651**	**854,224**	**874,747**	**895,204**	**0**	**0**	**11,564,908**
Debt coverage ratio (TIF Note only)	0.23	1.40	1.63	1.65	1.67	1.69	1.71	1.73	1.76	1.78	1.80	1.82	1.84	1.86	1.88	1.91	1.93	0.00	0.00	
Third Mortgage Loan																				
Principal Pmt. -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest Pmt. -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Loan Servicing and/or MIP Fees	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total Debt Service -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash-flow after debt service - 3rd	**(86,883)**	**383,306**	**607,590**	**627,922**	**648,327**	**668,795**	**689,318**	**709,887**	**730,491**	**751,120**	**771,762**	**792,406**	**813,040**	**833,651**	**854,224**	**874,747**	**895,204**	**0**	**0**	**11,564,908**
Debt coverage ratio after 3rd mortgage	0.23	1.40	1.63	1.65	1.67	1.69	1.71	1.73	1.76	1.78	1.80	1.82	1.84	1.86	1.88	1.91	1.93	0.00	0.00	
Fourth Mortgage Loan																				
Principal Pmt. -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest Pmt. -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Loan Servicing and/or MIP Fees	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total Debt Service -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash-flow after debt service - 4th	**(86,883)**	**383,306**	**607,590**	**627,922**	**648,327**	**668,795**	**689,318**	**709,887**	**730,491**	**751,120**	**771,762**	**792,406**	**813,040**	**833,651**	**854,224**	**874,747**	**895,204**	**0**	**0**	**11,564,908**
Debt coverage ratio after 4th mortgage	0.23	1.40	1.63	1.65	1.67	1.69	1.71	1.73	1.76	1.78	1.80	1.82	1.84	1.86	1.88	1.91	1.93	0.00	0.00	

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	0	0	TOTAL
Project Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	
Fifth Mortgage Loan																				
Principal Pmt. -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest Pmt. -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Loan Servicing and/or MIP Fees	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total Debt Service -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash-flow after debt service - 5th	**(86,883)**	**383,306**	**607,590**	**627,922**	**648,327**	**668,795**	**689,318**	**709,887**	**730,491**	**751,120**	**771,762**	**792,406**	**813,040**	**833,651**	**854,224**	**874,747**	**895,204**	**0**	**0**	**11,564,908**
Debt coverage ratio after 5th mortgage	0.23	1.40	1.63	1.65	1.67	1.69	1.71	1.73	1.76	1.78	1.80	1.82	1.84	1.86	1.88	1.91	1.93	0.00	0.00	
Req'd DSC	Cash needed for DSC																			0
																				0
																				0
Cash Flow From Operations for Construction Costs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Release of Operating Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash Flow After Required Payments & Funding of Operating Reserve	**(86,883)**	**383,306**	**607,590**	**627,922**	**648,327**	**668,795**	**689,318**	**709,887**	**730,491**	**751,120**	**771,762**	**792,406**	**813,040**	**833,651**	**854,224**	**874,747**	**895,204**	**0**	**0**	**11,564,908**
	(86,883)																			
RESERVE WITHDRAWALS																				
1 Initial Operating Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2 Capitalized ACC Reserve	#N/A	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	#N/A
3 Capitalized Rev Deficit Reserve	#N/A	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	#N/A
4 Capitalized Lease-Up Reserve	#N/A	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	#N/A
5 Other Reserves	#N/A	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	#N/A
PAYMENTS CONTINGENT ON AVAILABLE CASH-FLOW																				
1 Annual NEFAsset Management Fee	#N/A	5,150	5,305	5,464	5,628	5,796	5,970	6,149	6,334	6,524	6,720	6,921	7,129	7,343	7,563	7,790	8,024	0	0	#N/A
2 Incentive Management Fee	#N/A	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	#N/A
3 Deferred Developer Fee - Interest	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A
4 Deferred Developer Fee - Principal	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A
5 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
16 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
18 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
21 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
22 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
23 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
24 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
25 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
26 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
27 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Remaining Cash	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A

Excess Cash Allocation to Distributions																				
General Partner Share @ 0.01%	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A
Limited Partner Share @ 99.99%	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A

Project Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	
Reserve Balances	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**2035**	**2036**	2037	
Initial Operating Reserve		0	186,000	189,720	193,514	197,385	201,332	184,823	169,668	155,755	142,983	131,258	120,495	110,615	101,544	93,218	85,574	78,557	70,700	
Contributions to Operating Reserve	0	186,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Interest on Reserve Account	0	0	3,720	3,794	3,870	3,948	4,027	3,696	3,393	3,115	2,860	2,625	2,410	2,212	2,031	1,864	1,711	0	0	45,278
Withdrawal from Operating Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Other Use (Expense / Capitalized)	0	0	0	0	0	0	20,536	18,852	17,306	15,887	14,584	13,388	12,291	11,283	10,358	9,508	8,729	7,856		
Balance before Release	0	186,000	189,720	193,514	197,385	201,332	184,823	169,668	155,755	142,983	131,258	120,495	110,615	101,544	93,218	85,574	78,557	70,701	70,700	
Release of Operating Reserve to cash flow																				
Ending Balance	0	186,000	189,720	193,514	197,385	201,332	184,823	169,668	155,755	142,983	131,258	120,495	110,615	101,544	93,218	85,574	78,557	70,701	70,700	
	2%																			
Capitalized Replacement Reserve		925	52,854	113,427	176,998	243,679	313,588	348,161	381,708	414,367	446,267	477,528	508,260	538,570	568,553	598,303	627,903	657,437	591,693	
Interest on Reserve Account	0	17	1,057	2,269	3,540	4,874	6,272	6,963	7,634	8,287	8,925	9,551	10,165	10,771	11,371	11,966	12,558	0	0	116,220
Withdrawal from Replacement Reserve																				
Contributions to Replacement Reserve	925	51,912	59,516	61,302	63,141	65,035	66,986	68,996	71,066	73,198	75,394	77,656	79,985	82,385	84,856	87,402	90,024	0	0	
Other Use (Expense / Capitalized)	0	0	0	0	0	0	38,685	42,412	46,041	49,585	53,059	56,473	59,841	63,173	66,478	69,767	73,049	65,744	0	
Balance before Release																				
Release to cash flow																				
Ending Balance	925	52,854	113,427	176,998	243,679	313,588	348,161	381,708	414,367	446,267	477,528	508,260	538,570	568,553	598,303	627,903	657,437	591,693	591,693	
Capitalized ACC Reserve		#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	
Contributions to Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Interest on Reserve Account	0	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A
Withdrawal from Reserve	#N/A	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Other Use (Expense / Capitalized)																				
Balance before Release																				
Release of Reserve to cash flow																				
Ending Balance	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	
	2%																			
Capitalized Rev Deficit Reserve		#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	
Contributions to Reserve	0	530,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Interest on Reserve Account	0	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A
Withdrawal from Reserve	#N/A	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Other Use (Expense / Capitalized)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Balance before Release																				
Release of Reserve to cash flow																				
Ending Balance	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	
	2%																			
Insurance & Tax Escrow (Funding Not Req.)		0	300,000	306,000	312,120	318,362	324,730	331,224	337,849	344,606	351,498	358,528	365,698	373,012	380,473	388,082	395,844	209,720	209,720	
Interest on Reserve Account	0	0	6,000	6,120	6,242	6,367	6,495	6,624	6,757	6,892	7,030	7,171	7,314	7,460	7,609	7,762	7,917	0	0	103,761
Withdrawal from Ins & Tax Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	194,041	0	0	
Contributions to Ins & Tax Reserve	0	300,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Other Use (Expense / Capitalized)																			0	
Balance before Release																				
Release of Reserve to cash flow																				
Ending Balance	0	300,000	306,000	312,120	318,362	324,730	331,224	337,849	344,606	351,498	358,528	365,698	373,012	380,473	388,082	395,844	209,720	209,720	209,720	
	2%																			
Capitalized Lease-Up Reserve		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Contributions to Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Interest on Reserve Account	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Withdrawal from Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Other Use (Expense / Capitalized)																				
Balance before Release	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Release of Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Ending Balance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	2%																			
Other Reserves		#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	
Contributions to Other Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Interest on Reserve Account	0	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A
Withdrawal from Other Reserve	#N/A	#N/A	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Other Use (Expense / Capitalized)																				
Balance before Release																				
Release of Operating Reserve to cash flow																				
Ending Balance	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	
	2%																			

Year Placed in Service 2020

Use of Reserves Analysis

Operating Reserve	Used in yrs multiple of	5	% of balance used	10%	% of use capitalized	0%
Replacement Reserve	Used in yrs multiple of	5	% of balance used	10%	% of use capitalized	90%
Revenue Deficit Reserve	Used in yrs multiple of	20	% of balance used	50%	% of use capitalized	
Insurance & Tax Escrow Reserve	Used in yrs multiple of	15	% of balance used	50%	% of use capitalized	

		2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Use of Operating Reserve		0	0	0	0	0	0	20,536	18,852	17,306	15,887	14,584	13,388	12,291	11,283	10,358	9,508	8,729	7,856
Use of Replacement Reserve		0	0	0	0	0	0	38,685	42,412	46,041	49,585	53,059	56,473	59,841	63,173	66,478	69,767	73,049	65,744
Use of Revenue Deficit Reserve		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Use of Insurance & Tax Escrow Reserve		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	194,041	0
Total Uses of Reserves		0	0	0	0	0	0	59,220	61,264	63,347	65,472	67,643	69,862	72,132	74,455	76,836	79,275	275,818	73,599
Total Currently Expensed		0	0	0	0	0	0	24,404	23,093	21,910	20,846	19,890	19,036	18,275	17,600	17,005	16,485	210,074	14,430
Total Currently Capitalized		0	0	0	0	0	0	34,816	38,171	41,437	44,627	47,753	50,826	53,857	56,855	59,830	62,790	65,744	59,169
Cumulative Capitalized		0	0	0	0	0	0	34,816	72,987	114,424	159,050	206,803	257,629	311,486	368,341	428,172	490,962	556,706	615,875
Depreciation Taken	27.5	0	0	0	0	0	0	1,266	2,654	4,161	5,784	7,520	9,368	11,327	13,394	15,570	17,853	20,244	0
Remaining Capitalized Reserve Basis		0	0	0	0	0	0	33,550	69,067	106,343	145,186	185,418	226,876	269,406	312,867	357,128	402,065	447,565	506,734
Total Deduction for Use of Reserves		0	0	0	0	0	0	25,670	25,747	26,071	26,629	27,410	28,404	29,601	30,994	32,575	34,338	230,318	14,430

	Federal LIHTC			
	Total	Acquisition	Construction	
			100%	130%
Eligible Basis	40,223,139	0	0	40,223,139
Percentage of Cost with 130% Basis Boost	100.00%			
Res Portion of Solar Credits	0		0	0
Res Portion of Historic Rehab Credit	0		0	0
Subtotal	40,223,139	0	0	40,223,139
Less: Tax Exempt Bonds	0	0	0	0
Federal and Other Grants Off Basis	0	0	0	0
Other		0	0	0
Eligible Basis	**40,223,139**	**0**	**0**	**40,223,139**
Adjustment "Hard-to-Develop Area" or Qualified Census Tract		0.00%	100.00%	130.00%
Percentage of Historic Related Costs				
Adjusted Eligible Basis	52,290,081	0	0	52,290,081
Applicable Fraction		100.00%	100.00%	100.00%
Qualified Basis	**52,290,081**	**0**	0	**52,290,081**
Qualified Basis per Application		0	0	
Rate		3.22%	3.22%	7.52%
Annual LIHTC Amount Calculated	3,932,214	0	0	3,932,214
Actual Allocation	1,646,598	0	0	1,646,598
Used in Forecast (lessor)	1,646,598	0	0	1,646,598
Total Credits	16,465,980			

	No. of Units	Fraction	Total Sq Ft	Fraction
Low Income Apts	187	100.00%	210,350	100.00%
Market Rate Apts	0	0.00%	0	0.00%
Manager Unit	0			
TOTAL	187	100.00%	210,350	100.00%
Applicable fraction (the lesser of units or sq ft)				100.00%

50% Test	
Bond Analysis 50% Test (If Applicable)	
Total Tax Exempt Bond Proceeds	0
Add'l Const Period Bond Proceeds	
Total Project Basis	40,223,139
Bond Proceeds/Aggregate Basis	0.00%

Project Assumptions

NEF Projections_Liberty Rising Phase 5 4%.xlsm
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Project Description

Project Name	Liberty Rising Phase 5	
Limited Partnership Name	Liberty Rising Phase I, LLC	
Spreadsheet Purpose (Project Status)	Shelf	
Location		
Street Address	4751 NW 24th Court	
City	Miami	
State		FL
Zip Code	33142	
County	Miami-Dade	
Census Tract #		
Type	Urban	
Current Date	7/8/15	
Sponsor #1	Miami Redevelopment Partners, LLC	
Sponsor #1 - Tax Status	For Profit	
Sponsor #2		
Sponsor #2 - Tax Status		
Deal Source	NEF	
1 # of Residential Buildings	# Total Buildings	1
Total Number of Residential Units		187
Construction Type	New	
Target Population	Family	
Effective Tax Rate		35%
State Tax Rate (CA only)		
Rehab with Tenants in place?		N
4% or 9% credit deal?		4%
Tax exempt bond deal? (Y/N)		Y
Use Building by Building Depreciation Schedule (Y/N)		
QCT / DDA (Indicate Which)	QCT	
130% Boost (enter %, 101% - 130%)		130%
Is 3rd party buying state credits ?		N
SMT #		
Date Deal Secured		
Building Type	Multifamily	

Timing Assumptions

NEF Admission to Partnership	1/1/20
NEF Initial Funding	1/1/20
Construction Start	1/1/20
Placed in Service	12/1/20
Permanent Loan Closing	6/1/21
Projected First Credit Year	2020
Sale of Project	12/31/36

Partnership Information

Is Developer Cash Basis? (Y/N)	N	
General Partner Tax Exempt (Y/N)	N	
Co-General Partner Tax Exempt (Y/N)	N	
Lower-Tier LP Profit/Loss & Credits Share	99.99%	
Lower-Tier GP Profit/Loss & Credit Share	0.01%	
Sale Proceeds Share - LP Portion	10.00%	
Sale Proceeds Share - GP Portion	90.00%	
Deferred Developer Fee Interest Rate		
Applicable Fed. Rate (AFR)	2.74%	Jul-15
Lower-Tier LP Cash Flow Distribution Percentage	99.99%	
Length of LURA	30	

Escalators

Annual Residential Rent Increase - LIHTC	2.00%
-Subsidized	2.00%
Annual Residential Rent Increase - Mkt	2.00%
Residential Vacancy Rate - LIHTC	7.00%
-Subsidized	7.00%
-Mkt	7.00%
Annual Commercial Rent Increase	2.00%
Commercial Vacancy Rate	7.00%
Alternate escalation table being used	
Other Income Growth Rate	2.00%
Annual Expense Increase	3.00%

Reserves and Fees

	Y/N	$ Amt or % of EGI	Accrue Fee/Funding (Y/N)	Interest Earnings Rate	Growth Rate	Estimated Reserve Amount per Unit	Target Reserve Amount
Annual Funding of Replacement Reserve	Y	56,100		2.00%	3.00%	$300	
Annual Funding of Operating Reserve				2.00%	3.00%		
Annual Funding of Rev Deficit Reserve				2.00%	3.00%		
Annual NEFAsset Management Fee	Y	5,000		2.00%	3.00%		
Annual Partnership Mgmt Fee to GP	Y	7,500		2.00%	3.00%		
Management Incentive Fee							
Annual Funding of Ins & Tax Escrow				2.00%	3.00%		
Annual Funding of Other Reserves				2.00%	3.00%		

Project Assumptions

NEF Projections_Liberty Rising Phase 5 4%.xlsm
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Tax Credit Information

Acquisition Credit Rate	3.22%	Date	7/1/15	
Construction / Rehab Credit Rate	7.52%	Date	7/1/15	
Credit Rate Locked-In? (Y/N)	N	Date		
Annual Tax Credit frm Tax Credit Res	$1,646,598		Year of allocation	2015
Annual Tax Credit - 2nd year allocation			Elected set-aside	
Total Annual Tax Credit Allocation	$1,646,598		($2,285,535)	Unallocated
Total Annual Rehab Credit Allocated	$1,646,598			
Total Annual Acq Credit Allocated	$0			
Total LIHTC Basis+Land+Commercial	40,222,312			
10% Carryover Test Required (Y/N)	N			
Due Date of 10% Carryover				
Eligible for Solar Credits? (Y/N)	N			
Eligible for Acquisition Credit? (Y/N)	N			
Eligible for Cal State Tax Credit? (Y/N)	N			
Tax Credit Allocated				
Eligible for State LIHTC Credit? (Y/N)	N			
Tax Credit Allocated				
State LIHTC Credit - Number of Years				
Eligible for Historic Rehab Credit? (Y/N)	N			
Eligible for State Historic Tax Credit? (Y/N)	N		Number of Years	
State Historic Credit Percentage				

Other Annual Income	
Laundry	11,160
Vending	
Other Income	
TOTAL	11,160

Is 168 election required

Tax Exempt Bond Financing	
Bond Issuer	
Credit Enhancement Type	
Enhancement Provided by	
Bond Purchaser:	
Date of Bond Issuance	
Are These Draw Down Bonds	

Peredevelopment loan

NEF Regional Team:	
VP Originations	Tony Lyons
VP Supportive Housing	
Originations Manager	Sandra Seals
Originations Analyst	
VP Project Management	
Project Manager	
Constructions Risk Manager	
VP Asset Management	
Asset manager	

Project Characteristics Choose all that apply

Unit Mix & Rents

# Bdrms	# Bath rooms	Description	# Units	Median Income Targeted	Description of Units	Developer Rent	NEF LIHTC Rent	HUD FMR	S8 Pymt Standard	Tenant Pd Utility	Market Units Rent	Average Market Rent	During Contract	After Contract	Subsidy Type	Term (yrs)	Stressed Term (yrs)	Monthly Comm Income	Total Monthly Income	Stressed Income Escalator	Sq Ft / Unit	Total Sq Ft	Max LIHTC Rent @ target AMI	% of Rent Below LIHTC Max	After Contract Rent % Below LIHTC Max	Rent As Max % of Income	% of AMI of After Contract Rents	% of Rent Below Avg Market Rent
1	1.0	LIHTC Subsidized	3	50%						66			497	497	ction 8 - PHA Project Based Vouch	15	5		1,491	2.00%	650	1,950	635	11%	11%	60.2%	60%	#DIV/0!
1	1.0	LIHTC Subsidized	2	50%						66.00			914	914	ction 8 - PHA Project Based Vouch	15	5		1,828	2.00%	650	1,300	635	-54%	-54%	104.7%	105%	#DIV/0!
1	2.0	LIHTC	18	60%		696	696			66.00									12,528	2.00%	650	11,700	762	0%		81.4%		#DIV/0!
2	2.0	LIHTC Subsidized	35	50%						84.00			603	603	ction 8 - PHA Project Based Vouch	15	5		21,105	2.00%	1,100	38,500	762	10%	10%	61.2%	61%	#DIV/0!
2	2.0	LIHTC Subsidized	22	50%						84.00			1,173	1,173	ction 8 - PHA Project Based Vouch	15	5		25,806	2.00%	1,100	24,200	762	-65%	-65%	112.0%	112%	#DIV/0!
2	2.0	LIHTC	33	60%		831	831			84.00			1,648	1,648	ction 8 - PHA Project Based Vouch	15	5		81,807	2.00%	1,100	36,300	914	-90%	-90%	154.3%	154%	#DIV/0!
3	2.0	LIHTC Subsidized	13	50%						105.00			771	771	ction 8 - PHA Project Based Vouch	15	5		10,023	2.00%	1,250	16,250	880	0%	0%	67.5%	68%	#DIV/0!
3	2.0	LIHTC Subsidized	14	50%						105.00			1,616	1,616	ction 8 - PHA Project Based Vouch	15	5		22,624	2.00%	1,250	17,500	880	-96%	-96%	132.6%	133%	#DIV/0!
3	2.0	LIHTC	17	60%		951	951			105.00									16,167	2.00%	1,250	21,250	1,056	0%		81.4%		#DIV/0!
4	2.0	LIHTC Subsidized	13	50%						137.00			902	902	ction 8 - PHA Project Based Vouch	15	5		11,726	2.00%	1,350	17,550	982	-6%	-6%	71.8%	72%	#DIV/0!
4	2.0	LIHTC Subsidized	8	50%						137.00			1,888	1,888	ction 8 - PHA Project Based Vouch	15	5		15,104	2.00%	1,350	10,800	982	-106%	-106%	139.9%	140%	#DIV/0!
5	2.0	LIHTC Subsidized	9	50%						137.00			1,037	1,037	ction 8 - PHA Project Based Vouch	15	5		9,333	2.00%	1,450	13,050	1,083	-8%	-8%	73.5%	74%	#DIV/0!
																				2.00%	1,100							
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Total Units	187	
Commercial Units	0	
Residential Units	187	
Manager Units	0	http://www.huduser.org/portal/datasets/mtsp.html

Percent Residential 100.00%
BE Occupancy 72.77%

HUD Income	
Median Income / Family of 4	49,900
As Of (Date)	3/6/15
Location	Miami Dade County
AMI source	HUD

Date AMI checked 7/6/15
Rent floor election year

	LIHTC	Market	Commercial	Subsidized	TOTAL	Garages	Day Care Bldg
Total Units	68	0	0	119	187		
Monthly Rent	56,118	0	0	173,424	229,542		
Annual Rent	673,416	0	0	2,081,088	2,754,504	0	0
Total RentableSq Ftg	69,250	0	0	141,100	210,350		

0	Total Commercial Sq Ft
	Is Commercial Space a Master Lease (Y/N)
0	Commercial Rent per Sq Ft
	Type of Lease NN or NNN)
	Is Commercial Space Eligible for Historic Credits

	Utilities	Source	Date
Tenant Paid	Gas & Electric	PHCD	
Owner Paid	Trash and Water	PHCD	

AMI Analysis		% Change
2010	55,900	
2011	45,200	-19.14%
2012	49,200	8.85%
2013	50,800	3.25%
2014	52,200	2.76%
2015	51,900	-0.57%
2016	52,600	1.35%
2017	49,000	-6.84%
2018	48,400	-1.22%
2019	49,900	3.10%
2020		0.00%
		-0.94%

Source huduser.org

4 person very low income 33,850

Max LIHTC Income and Rents

# BDRMS	Family Size	Adj Factor	50% Income	50% Rent	60% Income	60% Rent	Income	Rent	Income	Rent	Income	Rent	Income	Rent
0	1	0.70	23,695	592	28,434	711	0	0	0	0	0	0	0	0
1	1.5	0.75	25,388	635	30,465	762	0	0	0	0	0	0	0	0
	2	0.80	27,080	677	32,496	812	0	0	0	0	0	0	0	0
2	3	0.90	30,465	762	36,558	914	0	0	0	0	0	0	0	0
	4	1.00	33,850	846	40,620	1,016	0	0	0	0	0	0	0	0
3	4.5	1.04	35,204	880	42,245	1,056	0	0	0	0	0	0	0	0
	5	1.08	36,558	914	43,870	1,097	0	0	0	0	0	0	0	0
4	6	1.16	39,266	982	47,119	1,178	0	0	0	0	0	0	0	0
	7	1.24	41,974	1,049	50,369	1,259	0	0	0	0	0	0	0	0
5	7.5	1.28	43,328	1,083	51,994	1,300	0	0	0	0	0	0	0	0
	8	1.32	44,682	1,117	53,618	1,340	0	0	0	0	0	0	0	0

1.64

% of funding	Required Loans / Source of Funds / Lender Name	Principal	Debt / Unit	Payment Type	Interest Rate	Perm Loan Closing Date	1st Pay Date	Amort Yrs	Term Yrs	Recourse Y/N)	Sponsor/Related Party	Is lender related to investor	Source	Conversion Requirements
30.06%	First Mortgage	13,550,000	72,460	Amortizing	6.25%	6/1/21	7/1/21	35	35	N	N	N	Private Lender	
0.00%			0											
0.00%			0											
0.00%			0											
0.00%			0											
		13,550,000	**72,460**											
	Contingent Loans / Lender Name													
10.19%	County General Obligation Bonds	4,592,622	24,559	Amortizing	2.37%	1/1/20	2/1/20	35	35	N	N		County Loan Sources	
2.43%	PHCD Documentary Surtax Fund	1,097,345	5,868	Amortizing	2.37%	1/1/20	2/1/20	35	35	N	N		County Loan Sources	
3.25%	PHCD CFFP	1,463,127	7,824	Amortizing	2.37%	1/1/20	2/1/20	35	35	N	N		County Loan Sources	
0.34%	Other Public and Private Funds	155,000	829	Amortizing	2.37%	1/1/20	2/1/20	35	35	N	N		Other	
11.09%	FHFC SAIL Loan	5,000,000	26,738	Simple	0.00%	1/1/20	2/1/20	35	35	N	N		State Loans	
1.34%	FHFC ELI Loan	603,887	3,229	Simple	0.00%	1/1/20	2/1/20	35	35	N	N		State Loans	
1.11%	RAD Subsidy During Construction	498,562	2,666	Amortizing	2.37%	1/1/20	2/1/20	35	35	N	N		Other	
0.00%			0											
	Subtotal Contingent Loans	**13,410,543**	**71,714**											

	Grants		Comments	Fed Grant ? (Y/N)
0.00%				
0.00%				
	Subtotal Grants	**0**		

	Other Sources		Comments			
0.00%	State Tax Equity Provider	0				
0.00%	Cash Flow from Operations	0	Percentage of cash flow from operations to fund deal	0%	No of Yrs	2
0.00%						
0.00%						
0.00%						
0.00%						
0.00%	GP Capital	100				
0.00%	Developer Fee via Cash Flow	0	0 Year DDF Paid Off			
40.18%	NEF Equity	18,110,767	DDF paid on RA page			
	Subtotal Other Sources	**18,110,867**				
100.00%	**Total Sources**	**45,071,410**				

Construction Financing

Construction Lender	Principal	Interest Rate	Conversion Date	Maturity Date	Comments	Bond Financing (Y/N)
First Mortgage	21,300,000	4.75%	6/1/21	6/1/21		

Development Costs

Uses of Funds		Total	Per Sq Ft	Per Unit	Depreciable Basis	NC/Rehab Eligible Basis	Acquisition Eligible Basis	Commercial Costs	Non-Depreciable	Amortized	Yrs	Expensed	Historic Basis	Bond Basis	Check	Comments
Land	0%		0	0	0	X	0	0	0	0		0	X	0	0	
Building	0		0	0	0	X	0	0	0	0	0	0	X	0	0	
Acquisition Legal Costs			0	0	0	X	0	0	0	0		0	X	0	0	
Other acquisition costs - holding costs			0	0	0	X	0	0	0	0		0	X	0	0	
Other acquisition costs			0	0	0	X	0	0	0	0		0	X	0	0	
Off-Site Improvements		1,860,000	9	9,947	0	X	0	0	1,860,000	0		0	X	0	0	
Site Work - Bldg Life Depr (Utility & Sewer Lines)			0	0	0	0	0	0	0	0		0	X	0	0	
Site Work - Non Depr (Grading, Demolition, Land Clearing)		899,496	4	4,810	0	0	0	0	899,496	0		0	X	0	0	
Site Work - 15 Year Depr (Landscaping, fine grading, sidewalks)			0	0	0	0	0	0	0	0		0	X	0	0	
Basic Construction Retention %		22,379,743	106	119,678	22,379,743	22,379,743	0	0	0	0		0	0	22,379,743	0	
Personal Property			0	0	0	0	0	0	0	0		0		0	0	
Gen. Req., Builder's OH & Profit	14.04%	3,268,101	16	17,476	3,268,101	3,268,101	0	0	0	0		0	0	3,268,101	0	
Other Construction Hard Costs - Solar			0	0	0	0	0	0	0	0		0	0	0	0	
Other Construction Hard Costs			0	0	0	0	0	0	0	0		0	0	0	0	
Other Construction Hard Costs			0	0	0	0	0	0	0	0		0	0	0	0	
CONSTRUCTION CONTINGENCY	4.42%	1,256,962	6	6,722	1,256,962	1,256,962	0	0	0	0		0	0	1,256,962	0	
Payment and Performance Bond		251,392	1	1,344	251,392	251,392	0	0	0	0		0	0	251,392	0	
Architect/Design		670,000	3	3,583	670,000	670,000	0	0	0	0		0	0	670,000	0	
Construction Management/Architect Supervision		180,000	1	963	180,000	180,000	0	0	0	0		0	0	180,000	0	
Construction Permits and Fees			0	0	0	0	0	0	0	0		0	0	0	0	
Lender or NEF Inspection fee		16,000	0	86	16,000	16,000	0	0	0	0		0	0	16,000	0	
Engineering		360,000	2	1,925	360,000	360,000	0	0	0	0		0	0	360,000	0	
Environmental Reporting and Abatement		25,000	0	134	25,000	25,000	0	0	0	0		0	0	25,000	0	
Geotechnical Study/Soil Borings		70,000	0	374	70,000	70,000	0	0	0	0		0	0	70,000	0	
Other Construction Soft Costs		75,000	0	401	75,000	75,000	0	0	0	0		0	0	75,000	0	
Other Construction Soft Costs			0	0	0	0	0	0	0	0		0	0	0	0	
Construction Loan Origination Fee		306,029	1	1,637	306,029	306,029	0	0	0	0	20	0	0	306,029	0	
CONSTRUCTION LOAN INTEREST IN BASIS	843,124	505,875	2	2,705	505,875	505,875	0	0	0	0		0	0	505,875	0	
CONSTRUCTION LOAN INTEREST EXPENSED		505,875	2	2,705	0	0	0	0	0	0		505,875	0	0	0	
Construction Period RE Taxes		60,000	0	321	60,000	60,000	0	0	0	0		0	0	60,000	0	
Construction Period Insurance		650,000	3	3,476	650,000	650,000	0	0	0	0		0	0	650,000	0	
Negative Arbitrage, costs of issuance, LOC fees		1,686,073	8	9,016	1,686,073	1,686,073	0	0	0	0		0	0	1,686,073	0	
Appraisal		13,000	0	70	13,000	13,000	0	0	0	0		0	0	13,000	0	
Market Study		12,000	0	64	12,000	12,000	0	0	0	0		0	0	12,000	0	
Survey		30,000	0	160	30,000	30,000	0	0	0	0		0	0	30,000	0	
Predevelopment Loan Interest and Fees			0	0	0	0	0	0	0	0	15	0	0	0	0	
Consulting Fees			0	0	0	0	0	0	0	0	15	0	0	0	0	
"Project" Bridge Loan Interest in Basis			0	0	0	0	0	0	0	0		0	0	0	0	
Loan Origination Fee - Permanent			0	0	0	0	0	0	0	0	35	0	0	0	0	
Title & Recording		280,000	1	1,497	252,000	252,000	0	0	28,000	0	10	0	0	252,000	0	
Legal - Syndication/Organization		0	0	0	0	0		0	0	0	15	0	0	0	0	
Legal - Bond/Perm Loan			0	0	0	0	0	0	0	0	35	0	0	0	0	
Legal - Construction		255,000	1	1,364	255,000	255,000	0	0	0	0		0	0	255,000	0	
Due Diligence - NEF		52,000	0	278	0	0	0	0	52,000	0		0	0	0	0	
Tax Credit Allocation Fee		131,728	1	704	0	0	0	0	0	131,728	10	0	0	0	0	
Tax Credit Compliance Fees		109,505	1	586	0	0	0	0	0	109,505	10	0	0	0	0	
Lease-up and Marketing Costs		210,158	1	1,124	0	0	0	0	0	210,158	1	0	0	0	0	
Accounting/Post Const. Audit		35,000	0	187	0	0	0	0	0	0		35,000	0	0	0	
Soft Cost Contingency		310,364	1	1,660	310,364	310,364	0	0	0	0		0	0	310,364	0	
Other Soft Costs		234,933	1	1,256	234,933	234,933	0	0	0	0	2	0	0	234,933	0	
Other Soft Costs		338,505	2	1,810	338,505	338,505	0	0	0	0		0	0	338,505	0	
Other Soft Costs		250,000	1	1,337	250,000	250,000	0	0	0	0		0	0	250,000	0	
Developer Fee - Construction	100%	6,766,335	32	36,184	6,766,335	6,766,335	0	0	0	0		0	0	6,766,335	0	
Developer Fee - Acquisition	0%		0	0	0		0	0	0	0		0	0	0	0	
Developer Fee - Other			0	0	0	0	0	0	0	0		0	0	0	0	
Initial Operating Reserve	1.11	186,000	1	995	0	0	0	0	186,000	0		0	X	0	0	
Capitalized Replacement Reserve	0		0	0	0	0	0	0	0	0		0	X	0	0	
Capitalized ACC Reserve			0	0	0	0	0	0	0	0		0	X	0	0	
Capitalized Rev Deficit Reserve	3	530,000	3	2,834	0	0	0	0	530,000	0		0	X	0	0	
Capitalized Ins & Tax Escrow		300,000	1	1,604	0	0	0	0	300,000	0		0	X	0	0	
Capitalized Lease-Up Reserve			0	0	0	0	0	0	0	0		0	X	0	0	
Other Reserves			0	0	0	0	0	0	0	0		0	X	0	0	
Other Reserves			0	0	0	0	0	0	0	0		0	X	0	0	
Other Reserves				0	0	0	0	0	0	0		0	X	0	0	
Accrued Contingent Loan Interest		181,344			0	0	0	0	0	0		0	0	0	181,344	
Total Uses		45,070,074	214	241,016	40,222,312	40,222,312	0	0	3,855,496	451,391		540,875	0	40,222,312	0	

Sources/Uses Surplus (Gap)	1,336

Lease-Up Schedule / Credit Delivery

Number of Residential Units	187	First Building Placed in Service	12/1/20	Acquisition Credits Allocated/yr	0
Number of Tax Credit Units	187	Last Building Placed in Service	12/1/20	LIHTCs Allocated @ 100%/yr	0
Number of Market Units	0	Construction Contract Completion Date		LIHTCs Allocated @ 130%/yr	1,646,598
Commercial Square Footage	0			Cal State Credits Allocated @ 100%	0
Square Footage of Building	210,350			Cal State Credits Allocated @ 130%	0
Start of Construction	1/1/20			State Credits Allocated	0
Completion/CofO/Placed in Service	12/1/20			Historic Credits Allocated	0
Start of Leasing/Move-in Date	12/1/20	Absorption (avg units/month) per market study	50	State Historic Credits Allocated	0
100% Lease-Up/Qualified Occupancy	4/1/21	Absorption (avg units/month) per model	37	Solar Credits	0
Start of QO Tax Credit Units PIS	12/1/2020				
Construction Period	11				

Year	Tax Credit Units Leased (Income)	Cumulative TC Units Leased	Tax Credit Units Leased (Credits)	Non TC Units Leased	Cumulative Non TC Units Leased	Commercial Sq Ft Leased	Tax Credit Rental Income	Commercial Income	Non Tax Credit Rental Income	Total Rental Income	Rehab Tax Credits	Acq Tax Credits	Total Tax Credits
Jan-20		0			0		0	0	0	0	0	0	0
Feb-20		0			0		0	0	0	0	0	0	0
Mar-20		0			0		0	0	0	0	0	0	0
Apr-20		0			0		0	0	0	0	0	0	0
May-20		0			0		0	0	0	0	0	0	0
Jun-20		0			0		0	0	0	0	0	0	0
Jul-20		0			0		0	0	0	0	0	0	0
Aug-20		0			0		0	0	0	0	0	0	0
Sep-20		0			0		0	0	0	0	0	0	0
Oct-20		0			0		0	0	0	0	0	0	0
Nov-20		0			0		0	0	0	0	0	0	0
Dec-20	37	37	37		0		45,417	0	0	45,417	27,150	0	27,150
TOTAL	**37**	**37**	**37**	**0**	**0**		**45,417**	**0**	**0**	**45,417**	**27,150**	**0**	**27,150**

Year	Tax Credit Units Leased (Income)	Cumulative Tax Credit Units Leased	Tax Credit Units Leased (Credits)	Non Tax Credit Units Leased	Cumulative Non Tax Credit Units	Commercial Sq FT Leased	Tax Credit Rental Income	Commercial Income	Non Tax Credit Rental Income	Total Rental Income	Rehab Tax Credits	Acq Tax Credits	Total Tax Credits
Jan-21	37	74	37		0		90,835	0	0	90,835	325,797	0	325,797
Feb-21	37	111	37		0		136,252	0	0	136,252	298,648	0	298,648
Mar-21	37	148	37		0		181,670	0	0	181,670	271,498	0	271,498
Apr-21	39	187	39		0		229,542	0	0	229,542	257,556	0	257,556
May-21		187			0		229,542	0	0	229,542	0	0	0
Jun-21		187			0		229,542	0	0	229,542	0	0	0
Jul-21		187			0		229,542	0	0	229,542	0	0	0
Aug-21		187			0		229,542	0	0	229,542	0	0	0
Sep-21		187			0		229,542	0	0	229,542	0	0	0
Oct-21		187			0		229,542	0	0	229,542	0	0	0
Nov-21		187			0		229,542	0	0	229,542	0	0	0
Dec-21		187			0		229,542	0	0	229,542	0	0	0
Credits from QO Units PIS in 2020											**325,797**	**0**	**325,797**
TOTAL	**150**	**187**	**150**	**0**	**0**		**2,474,635**	**0**	**0**	**2,474,635**	**1,479,297**	**0**	**1,479,297**

Lease-Up Schedule / Credit Delivery

Year	Tax Credit Units Leased (Income)	Cumulative Tax Credit Units Leased	Tax Credit Units Leased (Credits)	Non Tax Credit Units Leased	Cumulative Non Tax Credit Units	Commercial Sq FT Leased	Tax Credit Rental Income	Commercial Income	Non Tax Credit Rental Income	Total Rental Income	Rehab Tax Credits	Acq Tax Credits	Total Tax Credits
Jan-22		187			0		229,542	0	0	229,542	0	0	0
Feb-22		187			0		229,542	0	0	229,542	0	0	0
Mar-22		187			0		229,542	0	0	229,542	0	0	0
Apr-22		187			0		229,542	0	0	229,542	0	0	0
May-22		187			0		229,542	0	0	229,542	0	0	0
Jun-22		187			0		229,542	0	0	229,542	0	0	0
Jul-22		187			0		229,542	0	0	229,542	0	0	0
Aug-22		187			0		229,542	0	0	229,542	0	0	0
Sep-22		187			0		229,542	0	0	229,542	0	0	0
Oct-22		187			0		229,542	0	0	229,542	0	0	0
Nov-22		187			0		229,542	0	0	229,542	0	0	0
Dec-22		187			0		229,542	0	0	229,542	0	0	0
Credits from QO Units PIS in 2020											**325,797**	**0**	**325,797**
Credits from QO Units PIS in 2021											**1,320,801**	**0**	**1,320,801**
TOTAL	**0**	**187**	**0**	**0**	**0**		**2,754,504**	**0**	**0**	**2,754,504**	**1,646,598**	**0**	**1,646,598**
		units agree	units agree		units agree	sq ft agrees							

	Credits	Price/Credit	Equity
Federal LIHTC Credits	16,464,333	1.100	18,110,767
Federal Historic Tax Credits	0		0
State LIHTC Credits Purchased by NEF	0		0
State Historic Credits Purchased by NEF	0		0
Solar Credits	0		0
Total Limited Partner Equity			**18,110,767**

State LIHTC Credits Purchased by a 3rd Party

3rd Party Buyer

State Historic Credits Purchased by a 3rd Party

3rd Party Buyer

Total	**18,110,767**

Equity Installments

Payment	Project Milestone	Date	Qtr Paid	Development Costs Percent	Project Cost	Developer Fee Percent	Developer Fee	Total Reserves Payment	NEF Reserves	Total Equity Paid	Total Equity Percent	3rd Party Equity	NEF and 3rd Party EQUITY
1	NEF Closing/Construction Start	1/1/20	3/31/20	10.00%	1,032,843	25.00%	1,691,584		0	2,724,427	15.04%	0	2,724,427
2	25% Construction Complete	4/1/20	6/30/20	15.00%	1,549,265	15.00%	1,014,950		0	2,564,215	14.16%	0	2,564,215
3	50% Construction Complete	8/1/20	9/30/20	15.00%	1,549,265	15.00%	1,014,950		0	2,564,215	14.16%	0	2,564,215
4	75% Construction Complete	10/1/20	12/31/20	15.00%	1,549,265	15.00%	1,014,950		0	2,564,215	14.16%	0	2,564,215
5	100% Construction Complete/ Placed in Service/ CO	12/1/20	12/31/20	20.00%	2,065,686	25.00%	1,691,584		0	3,757,270	20.75%	0	3,757,270
6	Stabilization / Conversion / Final Cost Cert / 8609	6/1/21	6/30/21	25.00%	2,582,108	5.00%	338,317	1,016,000	1,016,000	3,936,425	21.74%	0	3,936,425
7	Tax Return				0		0		0	0	0.00%	0	0
8					0		0		0	0	0.00%	0	0
9					0		0		0	0	0.00%	0	0
10					0		0		0	0	0.00%	0	0
TOTAL				100.00%	10,328,432	100.00%	6,766,335	1,016,000	1,016,000	18,110,767	100.00%	0	18,110,767
					10,328,432					Equity Agrees		Equity Agrees	

Developer Fee	
Maximum Deferred Fee Percentage	50.00%
Developer Fee	6,766,335
From Cash Flow	0
From Equity	6,766,335
Percentage of Fee Deferred	0.00%

Operating Expenses

	Units 187	Annual Expense	Per Unit	Escalator	Comments	calculated property mgmt fee	alternate property mgmt fee calculation
General & Administrative	Property Management Fee	59,368	317	3.00%		2.35%	
	Misc. Prop. Mgmt. Fees	117,997	631	3.00%			
	Accounting/Auditing		0	3.00%			59,368
	Legal		0	3.00%			
	Office Supplies & Expense		0	3.00%			
	Telephone Answering Service		0	3.00%			
	Other - LIHTC Compliance Monitoring		0	3.00%			
	Other - Misc. Admin.		0	3.00%			
		177,365	948				
Payroll & Related	Administrative Payroll		0	3.00%			
	Maintenance Payroll		0	3.00%			
	Repair Payroll		0	3.00%			
	Payroll Taxes		0	3.00%			
	Fringe Benefits		0	3.00%			
	Other		0	3.00%			
		0	0				
						Owner Paid	Tenant Paid
Utilities	Electric (Common Area)		0	3.00%			
	Gas/Fuel Oil/Coal (Common Area)		0	3.00%			
	Water & Sewer		0	3.00%			
	Electric (for Units)		0	3.00%			
	Gas/Fuel Oil/Coal (for Units)		0	3.00%			
	Other		0	3.00%			
		0	0				
Maintenance & Repair	Cleaning (Janitorial)		0	3.00%			
	Elevator Maintenance		0	3.00%			
	Exterminating		0	3.00%			
	Fire Alarm Inspection		0	3.00%			
	Grounds Maintenance	816,315	4,365	3.00%			
	Grounds Maintenance Contract		0	3.00%			
	Painting & Decorating/Make-ready		0	3.00%			
	Repairs		0	3.00%			
	Repairs Contract		0	3.00%			
	Security		0	3.00%			
	Supplies		0	3.00%			
	Trash Removal/Snow Removal		0	3.00%			
	Vehicle/Equipment Maintenance		0	3.00%			
	Other - Misc Ops and Maint Expenses		0	3.00%			
	Reserves		0	3.00%			
		816,315	4,365				
Market & Leasing	Advertising		0	3.00%			
	Credit Investigations		0	3.00%			
	Leasing Fees		0	3.00%			
	Other		0	3.00%			
		0	0				
Taxes & Insurance	Insurance - Liability		0	3.00%			
	Other Taxes, Licenses & Fees		0	3.00%			
	Real Estate Taxes		0	3.00%			
	Property/Liability (Hazard)		0	3.00%			
	Other		0	3.00%			
		0	0				

Total Annual Operating Budget 993,680

Annual Operating Budget per Unit (PUPA) **5,314**

Is the project providing a washer/dryer in unit(s) Y/N

Which units are provided w/washer & dryer

Cash Flow

	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	Sale 2036	0	0	TOTAL
Project Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	
% of Year in Operation	1.65%	89.84%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	0.00%	0.00%	
LIHTC and Subsidized Vacancy Override																				
INCOME																				
Gross Rent Paid - LIHTC Units 2.00%	11,104	604,994	700,622	714,634	728,927	743,506	758,376	773,543	789,014	804,794	820,890	837,308	854,054	871,135	888,558	906,329	924,456	0	0	12,732,246
Gross Rent Paid - Sub Units Increase 2.00%	34,314	1,869,641	2,165,164	2,208,467	2,252,637	2,297,689	2,343,643	2,390,516	2,438,326	2,487,093	2,536,835	2,587,571	2,639,323	2,692,109	2,745,951	2,567,465	0	0	0	36,256,744
Gross Rent Paid - After Contract 2.00%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	233,406	2,856,888	0	0	3,090,294
Market Rent	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Gross Residential Income	**45,417**	**2,474,635**	**2,865,786**	**2,923,102**	**2,981,564**	**3,041,195**	**3,102,019**	**3,164,059**	**3,227,340**	**3,291,887**	**3,357,725**	**3,424,880**	**3,493,377**	**3,563,245**	**3,634,510**	**3,707,200**	**3,781,344**	**0**	**0**	52,079,283
LIHTC Vacancy @ 7.0%	(777)	(42,350)	(49,044)	(50,024)	(51,025)	(52,045)	(53,086)	(54,148)	(55,231)	(56,336)	(57,462)	(58,612)	(59,784)	(60,979)	(62,199)	(63,443)	(64,712)	0	0	(891,257)
Subsidized Residential Vacancy @ 7.0%	(2,402)	(130,875)	(151,561)	(154,593)	(157,685)	(160,838)	(164,055)	(167,336)	(170,683)	(174,096)	(177,578)	(181,130)	(184,753)	(188,448)	(192,217)	(196,061)	(199,982)	0	0	(2,754,293)
Market Residential Vacancy @ 7.0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Income / yr @ 2% increase / yr	184	10,227	11,611	11,843	12,080	12,322	12,568	12,819	13,076	13,337	13,604	13,876	14,154	14,437	14,725	15,020	15,320	0	0	211,202
Other Income Vacancy @ 7.0%	(13)	(716)	(813)	(829)	(846)	(863)	(880)	(897)	(915)	(934)	(952)	(971)	(991)	(1,011)	(1,031)	(1,051)	(1,072)	0	0	(14,784)
Commercial @ 2% increase / yr	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Commercial Vacancy @ 7.0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Income																				0
Total Effective Gross Income from Project	**42,409**	**2,310,921**	**2,675,979**	**2,729,499**	**2,784,089**	**2,839,770**	**2,896,566**	**2,954,497**	**3,013,587**	**3,073,859**	**3,135,336**	**3,198,043**	**3,262,004**	**3,327,244**	**3,393,788**	**3,461,664**	**3,530,898**	**0**	**0**	48,630,152
EXPENSES																				
GENERAL & ADMINISTRATIVE	2,924	164,124	188,167	193,812	199,626	205,615	211,783	218,137	224,681	231,421	238,364	245,515	252,880	260,466	268,280	276,329	284,619	0	0	3,666,742
PAYROLL & RELATED	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
UTILITIES	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
MAINTENANCE & REPAIR	13,460	755,375	866,029	892,009	918,770	946,333	974,723	1,003,964	1,034,083	1,065,106	1,097,059	1,129,971	1,163,870	1,198,786	1,234,750	1,271,792	1,309,946	0	0	16,876,026
MARKETING & LEASING	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TAXES & INSURANCE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
OTHER EXPENSES																				0
Total Expenses	**16,384**	**919,499**	**1,054,195**	**1,085,821**	**1,118,396**	**1,151,947**	**1,186,506**	**1,222,101**	**1,258,764**	**1,296,527**	**1,335,423**	**1,375,486**	**1,416,750**	**1,459,253**	**1,503,030**	**1,548,121**	**1,594,565**	**0**	**0**	20,542,768
Replacement Reserve (Funding Req.) @$300	925	51,912	59,516	61,302	63,141	65,035	66,986	68,996	71,066	73,198	75,394	77,656	79,985	82,385	84,856	87,402	90,024	0	0	1,159,779
Total Expenses including Replacement Reserve	**17,309**	**971,411**	**1,113,712**	**1,147,123**	**1,181,537**	**1,216,983**	**1,253,492**	**1,291,097**	**1,329,830**	**1,369,725**	**1,410,817**	**1,453,141**	**1,496,735**	**1,541,637**	**1,587,886**	**1,635,523**	**1,684,589**	**0**	**0**	21,702,547
NET OPERATING INCOME	**25,100**	**1,339,510**	**1,562,267**	**1,582,376**	**1,602,552**	**1,622,788**	**1,643,074**	**1,663,400**	**1,683,757**	**1,704,134**	**1,724,519**	**1,744,902**	**1,765,268**	**1,785,606**	**1,805,902**	**1,826,141**	**1,846,309**	**0**	**0**	26,927,605
ECR	2.45	2.38	2.40	2.38	2.36	2.33	2.31	2.29	2.27	2.24	2.22	2.20	2.18	2.16	2.14	2.12	2.10	0.00	0.00	
Req'd ECR 1.05 Cash needed for ECR	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
DEBT SERVICE (MUST-PAY))																				
First Mortgage Loan																				
Principal Pmt. - First Mortgage	0	54,562	114,361	121,716	129,545	137,878	146,747	156,186	166,232	176,924	188,304	200,416	213,307	227,028	241,631	257,173	273,714	0	0	2,805,724
Interest Pmt. - First Mortgage	0	422,731	840,226	832,870	825,041	816,708	807,840	798,401	788,355	777,662	766,282	754,170	741,279	727,559	712,956	697,414	680,872	0	0	11,990,365
Loan Servicing and/or MIP Fees	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total Debt Service - First Mortgage	0	477,293	954,586	954,586	954,586	954,586	954,586	954,586	954,586	954,586	954,586	954,586	954,586	954,586	954,586	954,586	954,586	0	0	14,796,089
Cash-flow after debt service - 1st	**25,100**	**862,216**	**607,681**	**627,789**	**647,966**	**668,201**	**688,487**	**708,814**	**729,171**	**749,548**	**769,933**	**790,315**	**810,682**	**831,020**	**851,316**	**871,555**	**891,722**	**0**	**0**	**12,131,516**
Debt coverage ratio after 1st mortgage	0.00	2.81	1.64	1.66	1.68	1.70	1.72	1.74	1.76	1.79	1.81	1.83	1.85	1.87	1.89	1.91	1.93	0.00	0.00	
Second Mortgage Loan																				
Principal Pmt. -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest Pmt. -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Loan Servicing and/or MIP Fees	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total Debt Service -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash-flow after debt service - 2nd	**25,100**	**862,216**	**607,681**	**627,789**	**647,966**	**668,201**	**688,487**	**708,814**	**729,171**	**749,548**	**769,933**	**790,315**	**810,682**	**831,020**	**851,316**	**871,555**	**891,722**	**0**	**0**	**12,131,516**
Debt coverage ratio (TIF Note only)	0.00	2.81	1.64	1.66	1.68	1.70	1.72	1.74	1.76	1.79	1.81	1.83	1.85	1.87	1.89	1.91	1.93	0.00	0.00	
Third Mortgage Loan																				
Principal Pmt. -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest Pmt. -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Loan Servicing and/or MIP Fees	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total Debt Service -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash-flow after debt service - 3rd	**25,100**	**862,216**	**607,681**	**627,789**	**647,966**	**668,201**	**688,487**	**708,814**	**729,171**	**749,548**	**769,933**	**790,315**	**810,682**	**831,020**	**851,316**	**871,555**	**891,722**	**0**	**0**	**12,131,516**
Debt coverage ratio after 3rd mortgage	0.00	2.81	1.64	1.66	1.68	1.70	1.72	1.74	1.76	1.79	1.81	1.83	1.85	1.87	1.89	1.91	1.93	0.00	0.00	
Fourth Mortgage Loan																				
Principal Pmt. -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest Pmt. -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Loan Servicing and/or MIP Fees	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total Debt Service -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash-flow after debt service - 4th	**25,100**	**862,216**	**607,681**	**627,789**	**647,966**	**668,201**	**688,487**	**708,814**	**729,171**	**749,548**	**769,933**	**790,315**	**810,682**	**831,020**	**851,316**	**871,555**	**891,722**	**0**	**0**	**12,131,516**
Debt coverage ratio after 4th mortgage	0.00	2.81	1.64	1.66	1.68	1.70	1.72	1.74	1.76	1.79	1.81	1.83	1.85	1.87	1.89	1.91	1.93	0.00	0.00	

	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	0	0	TOTAL
Project Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	
Fifth Mortgage Loan																				
Principal Pmt. -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest Pmt. -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Loan Servicing and/or MIP Fees	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total Debt Service -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash-flow after debt service - 5th	**25,100**	**862,216**	**607,681**	**627,789**	**647,966**	**668,201**	**688,487**	**708,814**	**729,171**	**749,548**	**769,933**	**790,315**	**810,682**	**831,020**	**851,316**	**871,555**	**891,722**	**0**	**0**	**12,131,516**
Debt coverage ratio after 5th mortgage	0.00	2.81	1.64	1.66	1.68	1.70	1.72	1.74	1.76	1.79	1.81	1.83	1.85	1.87	1.89	1.91	1.93	0.00	0.00	
Req'd DSC (Cash needed for DSC)																				0
																				0
																				0
Cash Flow From Operations for Construction Costs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Release of Operating Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash Flow After Required Payments & Funding of Operating Reserve	**25,100**	**862,216**	**607,681**	**627,789**	**647,966**	**668,201**	**688,487**	**708,814**	**729,171**	**749,548**	**769,933**	**790,315**	**810,682**	**831,020**	**851,316**	**871,555**	**891,722**	**0**	**0**	**12,131,516**
RESERVE WITHDRAWALS																				
1 Initial Operating Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2 Capitalized ACC Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3 Capitalized Rev Deficit Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4 Capitalized Lease-Up Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5 Other Reserves	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PAYMENTS CONTINGENT ON AVAILABLE CASH-FLOW																				
1 Annual NEFAsset Management Fee	5,000	5,150	5,305	5,464	5,628	5,796	5,970	6,149	6,334	6,524	6,720	6,921	7,129	7,343	7,563	7,790	8,024	0	0	108,808
2 Incentive Management Fee	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3 Deferred Developer Fee - Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4 Deferred Developer Fee - Principal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
16 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
18 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
21 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
22 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
23 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
24 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
25 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
26 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
27 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Remaining Cash	20,100	857,066	602,377	622,326	642,338	662,405	682,517	702,664	722,837	743,024	763,213	783,394	803,553	823,677	843,753	863,765	883,699	0	0	12,022,708

Excess Cash Allocation to Distributions																				
General Partner Share @ 0.01%	2	86	60	62	64	66	68	70	72	74	76	78	80	82	84	86	88	0	0	1,202
Limited Partner Share @ 99.99%	20,098	856,981	602,316	622,263	642,274	662,339	682,449	702,594	722,765	742,949	763,137	783,316	803,473	823,595	843,668	863,679	883,611	0	0	12,021,506

Project Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	
Reserve Balances	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**2035**	**2036**	**2037**	2038	
Initial Operating Reserve		0	186,000	189,720	193,514	197,385	201,332	184,823	169,668	155,755	142,983	131,258	120,495	110,615	101,544	93,218	85,574	78,557	70,701	
Contributions to Operating Reserve	0	186,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Interest on Reserve Account	0	0	3,720	3,794	3,870	3,948	4,027	3,696	3,393	3,115	2,860	2,625	2,410	2,212	2,031	1,864	1,711	0	0	45,278
Withdrawal from Operating Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Other Use (Expense / Capitalized)	0	0	0	0	0	0	20,536	18,852	17,306	15,887	14,584	13,388	12,291	11,283	10,358	9,508	8,729	7,856		
Balance before Release	0	186,000	189,720	193,514	197,385	201,332	184,823	169,668	155,755	142,983	131,258	120,495	110,615	101,544	93,218	85,574	78,557	70,701	70,701	
Release of Operating Reserve to cash flow																				
Ending Balance	0	186,000	189,720	193,514	197,385	201,332	184,823	169,668	155,755	142,983	131,258	120,495	110,615	101,544	93,218	85,574	78,557	70,701	70,701	
	2%																			
Capitalized Replacement Reserve		925	52,854	113,427	176,998	243,679	313,588	348,161	381,708	414,367	446,267	477,528	508,260	538,570	568,553	598,303	627,903	657,437	591,693	
Interest on Reserve Account	0	17	1,057	2,269	3,540	4,874	6,272	6,963	7,634	8,287	8,925	9,551	10,165	10,771	11,371	11,966	12,558	0	0	116,220
Withdrawal from Replacement Reserve																				
Contributions to Replacement Reserve	925	51,912	59,516	61,302	63,141	65,035	66,986	68,996	71,066	73,198	75,394	77,656	79,985	82,385	84,856	87,402	90,024	0	0	
Other Use (Expense / Capitalized)	0	0	0	0	0	0	38,685	42,412	46,041	49,585	53,059	56,473	59,841	63,173	66,478	69,767	73,049	65,744	0	
Balance before Release																				
Release to cash flow																				
Ending Balance	925	52,854	113,427	176,998	243,679	313,588	348,161	381,708	414,367	446,267	477,528	508,260	538,570	568,553	598,303	627,903	657,437	591,693	591,693	
Capitalized ACC Reserve		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Contributions to Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Interest on Reserve Account	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Withdrawal from Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Other Use (Expense / Capitalized)																				
Balance before Release																				
Release of Reserve to cash flow																				
Ending Balance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	2%																			
Capitalized Rev Deficit Reserve		0	530,000	540,600	551,412	562,440	573,689	585,163	596,866	608,803	620,979	633,399	646,067	658,988	672,168	685,612	699,324	713,310	713,310	
Contributions to Reserve	0	530,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Interest on Reserve Account	0	0	10,600	10,812	11,028	11,249	11,474	11,703	11,937	12,176	12,420	12,668	12,921	13,180	13,443	13,712	13,986	0	0	183,310
Withdrawal from Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Other Use (Expense / Capitalized)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Balance before Release																				
Release of Reserve to cash flow																				
Ending Balance	0	530,000	540,600	551,412	562,440	573,689	585,163	596,866	608,803	620,979	633,399	646,067	658,988	672,168	685,612	699,324	713,310	713,310	713,310	
	2%																			
Insurance & Tax Escrow (Funding Not Req.)		0	300,000	306,000	312,120	318,362	324,730	331,224	337,849	344,606	351,498	358,528	365,698	373,012	380,473	388,082	395,844	209,720	209,720	
Interest on Reserve Account	0	0	6,000	6,120	6,242	6,367	6,495	6,624	6,757	6,892	7,030	7,171	7,314	7,460	7,609	7,762	7,917	0	0	103,761
Withdrawal from Ins & Tax Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	194,041	0	0	
Contributions to Ins & Tax Reserve	0	300,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Other Use (Expense / Capitalized)																			0	
Balance before Release																				
Release of Reserve to cash flow																				
Ending Balance	0	300,000	306,000	312,120	318,362	324,730	331,224	337,849	344,606	351,498	358,528	365,698	373,012	380,473	388,082	395,844	209,720	209,720	209,720	
	2%																			
Capitalized Lease-Up Reserve		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Contributions to Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Interest on Reserve Account	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Withdrawal from Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Other Use (Expense / Capitalized)																				
Balance before Release	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Release of Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Ending Balance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	2%																			
Other Reserves		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Contributions to Other Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Interest on Reserve Account	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Withdrawal from Other Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Other Use (Expense / Capitalized)																				
Balance before Release																				
Release of Operating Reserve to cash flow																				
Ending Balance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	2%																			

Year Placed in Service 2021

Use of Reserves Analysis

Operating Reserve	Used in yrs multiple of	5	% of balance used	10%	% of use capitalized	0%
Replacement Reserve	Used in yrs multiple of	5	% of balance used	10%	% of use capitalized	90%
Revenue Deficit Reserve	Used in yrs multiple of	20	% of balance used	50%	% of use capitalized	
Insurance & Tax Escrow Reserve	Used in yrs multiple of	15	% of balance used	50%	% of use capitalized	

		2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037
Use of Operating Reserve		0	0	0	0	0	0	20,536	18,852	17,306	15,887	14,584	13,388	12,291	11,283	10,358	9,508	8,729	7,856
Use of Replacement Reserve		0	0	0	0	0	0	38,685	42,412	46,041	49,585	53,059	56,473	59,841	63,173	66,478	69,767	73,049	65,744
Use of Revenue Deficit Reserve		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Use of Insurance & Tax Escrow Reserve		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	194,041	0
Total Uses of Reserves		0	0	0	0	0	0	59,220	61,264	63,347	65,472	67,643	69,862	72,132	74,455	76,836	79,275	275,818	73,599
Total Currently Expensed		0	0	0	0	0	0	24,404	23,093	21,910	20,846	19,890	19,036	18,275	17,600	17,005	16,485	210,074	14,430
Total Currently Capitalized		0	0	0	0	0	0	34,816	38,171	41,437	44,627	47,753	50,826	53,857	56,855	59,830	62,790	65,744	59,169
Cumulative Capitalized		0	0	0	0	0	0	34,816	72,987	114,424	159,050	206,803	257,629	311,486	368,341	428,172	490,962	556,706	615,875
Depreciation Taken	27.5	0	0	0	0	0	0	1,266	2,654	4,161	5,784	7,520	9,368	11,327	13,394	15,570	17,853	20,244	0
Remaining Capitalized Reserve Basis		0	0	0	0	0	0	33,550	69,067	106,343	145,186	185,418	226,876	269,406	312,867	357,128	402,065	447,565	506,734
Total Deduction for Use of Reserves		0	0	0	0	0	0	25,670	25,747	26,071	26,629	27,410	28,404	29,601	30,994	32,575	34,338	230,318	14,430

	Federal LIHTC			
	Total	Acquisition	Construction	
			100%	130%
Eligible Basis	40,222,312	0	0	40,222,312
Percentage of Cost with 130% Basis Boost	100.00%			
Res Portion of Solar Credits	0		0	0
Res Portion of Historic Rehab Credit	0		0	0
Subtotal	40,222,312	0	0	40,222,312
Less: Tax Exempt Bonds	0	0	0	0
Federal and Other Grants Off Basis	0	0	0	0
Other		0	0	0
Eligible Basis	**40,222,312**	**0**	**0**	**40,222,312**
Adjustment "Hard-to-Develop Area" or Qualified Census Tract		0.00%	100.00%	130.00%
Percentage of Historic Related Costs				
Adjusted Eligible Basis	52,289,006	0	0	52,289,006
Applicable Fraction		100.00%	100.00%	100.00%
Qualified Basis	**52,289,006**	**0**	0	**52,289,006**
Qualified Basis per Application		0	0	
Rate		3.22%	3.22%	7.52%
Annual LIHTC Amount Calculated	3,932,133	0	0	3,932,133
Actual Allocation	1,646,598	0	0	1,646,598
Used in Forecast (lessor)	1,646,598	0	0	1,646,598
Total Credits	16,465,980			

	No. of Units	Fraction	Total Sq Ft	Fraction
Low Income Apts	187	100.00%	210,350	100.00%
Market Rate Apts	0	0.00%	0	0.00%
Manager Unit	0			
TOTAL	187	100.00%	210,350	100.00%
Applicable fraction (the lesser of units or sq ft)				100.00%

50% Test	
Bond Analysis 50% Test (If Applicable)	
Total Tax Exempt Bond Proceeds	0
Add'l Const Period Bond Proceeds	
Total Project Basis	40,222,312
Bond Proceeds/Aggregate Basis	0.00%

Project Assumptions

NEF Projections_Liberty Rising Phase 1 9%.xlsm
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Project Description

Project Name	Liberty Rising Phase 1	
Limited Partnership Name	Liberty Rising Phase I, LLC	
Spreadsheet Purpose (Project Status)	Shelf	
Location		
Street Address	4751 NW 24th Court	
City	Miami	
State		FL
Zip Code	33142	
County	Miami-Dade	
Census Tract #		
Type	Urban	
Current Date	7/7/15	
Sponsor #1	Miami Redevelopment Partners, LLC	
Sponsor #1 - Tax Status	For Profit	
Sponsor #2		
Sponsor #2 - Tax Status		
Deal Source	NEF	
1 # of Residential Buildings	# Total Buildings	1
Total Number of Residential Units		185
Construction Type	New	
Target Population	Family	
Effective Tax Rate		35%
State Tax Rate (CA only)		
Rehab with Tenants in place?		N
4% or 9% credit deal?		9%
Tax exempt bond deal? (Y/N)		N
Use Building by Building Depreciation Schedule (Y/N)		
QCT / DDA (Indicate Which)	QCT	
130% Boost (enter %, 101% - 130%)		130%
Is 3rd party buying state credits ?		N
SMT #		
Date Deal Secured		
Building Type	Multifamily	

Timing Assumptions

NEF Admission to Partnership	1/1/16
NEF Initial Funding	1/1/16
Construction Start	1/1/16
Placed in Service	12/1/16
Permanent Loan Closing	6/1/17
Projected First Credit Year	2016
Sale of Project	12/31/32

Partnership Information

Is Developer Cash Basis? (Y/N)	N	
General Partner Tax Exempt (Y/N)	N	
Co-General Partner Tax Exempt (Y/N)	N	
Lower-Tier LP Profit/Loss & Credits Share	99.99%	
Lower-Tier GP Profit/Loss & Credit Share	0.01%	
Sale Proceeds Share - LP Portion	10.00%	
Sale Proceeds Share - GP Portion	90.00%	
Deferred Developer Fee Interest Rate		
Applicable Fed. Rate (AFR)	2.74%	Jul-15
Lower-Tier LP Cash Flow Distribution Percentage	99.99%	
Length of LURA	30	

Escalators

Annual Residential Rent Increase - LIHTC	2.00%
-Subsidized	2.00%
Annual Residential Rent Increase - Mkt	2.00%
Residential Vacancy Rate - LIHTC	7.00%
-Subsidized	7.00%
-Mkt	7.00%
Annual Commercial Rent Increase	2.00%
Commercial Vacancy Rate	7.00%
Alternate escalation table being used	
Other Income Growth Rate	2.00%
Annual Expense Increase	3.00%

Reserves and Fees

	Y/N	$ Amt or % of EGI	Accrue Fee/Funding (Y/N)	Interest Earnings Rate	Growth Rate	Estimated Reserve Amount per Unit	Target Reserve Amount
Annual Funding of Replacement Reserve	Y	55,500		2.00%	3.00%	$300	
Annual Funding of Operating Reserve				2.00%	3.00%		
Annual Funding of Rev Deficit Reserve				2.00%	3.00%		
Annual NEFAsset Management Fee	Y	18,500		2.00%	3.00%		
Annual Partnership Mgmt Fee to GP	Y	7,500		2.00%	3.00%		
Management Incentive Fee							
Annual Funding of Ins & Tax Escrow				2.00%	3.00%		
Annual Funding of Other Reserves				2.00%	3.00%		

Project Assumptions

NEF Projections_Liberty Rising Phase 1 9%.xlsm
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Tax Credit Information				
Acquisition Credit Rate	3.22%	Date	7/1/15	
Construction / Rehab Credit Rate	7.52%	Date	7/1/15	
Credit Rate Locked-In? (Y/N)	N	Date		
Annual Tax Credit frm Tax Credit Res	$2,561,000		Year of allocation	2015
Annual Tax Credit - 2nd year allocation			Elected set-aside	
Total Annual Tax Credit Allocation	$2,561,000		($1,210,485)	Unallocated
Total Annual Rehab Credit Allocated	$2,561,000			
Total Annual Acq Credit Allocated	$0			
Total LIHTC Basis+Land+Commercial	38,579,021			
10% Carryover Test Required (Y/N)	N			
Due Date of 10% Carryover				
Eligible for Solar Credits? (Y/N)	N			
Eligible for Acquisition Credit? (Y/N)	N			
Eligible for Cal State Tax Credit? (Y/N)	N			
Tax Credit Allocated				
Eligible for State LIHTC Credit? (Y/N)	N			
Tax Credit Allocated				
State LIHTC Credit - Number of Years				
Eligible for Historic Rehab Credit? (Y/N)	N			
Eligible for State Historic Tax Credit? (Y/N)	N		Number of Years	
State Historic Credit Percentage				

Other Annual Income	
Laundry	11,100
Vending	
Other Income	
TOTAL	11,100

Is 168 election required

Tax Exempt Bond Financing	
Bond Issuer	
Credit Enhancement Type	
Enhancement Provided by	
Bond Purchaser:	
Date of Bond Issuance	
Are These Draw Down Bonds	

Peredevelopment loan

NEF Regional Team:	
VP Originations	Tony Lyons
VP Supportive Housing	
Originations Manager	Sandra Seals
Originations Analyst	
VP Project Management	
Project Manager	
Constructions Risk Manager	
VP Asset Management	
Asset manager	

Project Characteristics Choose all that apply

Unit Mix & Rents

# Bdrms	# Bath rooms	Description	# Units	Median Income Targeted	Description of Units	Developer Rent	NEF LIHTC Rent	HUD FMR	S8 Pymt Standard	Tenant Pd Utility	Market Units Rent	Average Market Rent	During Contract	After Contract	Subsidy Type	Term (yrs)	Stressed Term (yrs)	Monthly Comm Income	Total Monthly Income	Stressed Income Escalator	Sq Ft / Unit	Total Sq Ft	Max LIHTC Rent @ target AMI	% of Rent Below LIHTC Max	After Contract Rent % Below LIHTC Max	Rent As Max % of Income	% of AMI of After Contract Rents	% of Rent Below Avg Market Rent
1	1.0	LIHTC Subsidized	5	50%		519	519			66					Section 9	40			2,595	2.00%	650	3,250	635	8%		62.5%		#DIV/0!
1	1.0	LIHTC Subsidized	17	50%						66.00			932	932	ction 8 - PHA Project Based Vouch	15	5		15,844	2.00%	650	11,050	635	-57%	-57%	106.7%	107%	#DIV/0!
2	2.0	LIHTC Subsidized	51	50%		519	519			84.00					Section 9	40			26,469	2.00%	1,100	56,100	762	21%		53.7%		#DIV/0!
2	2.0	LIHTC Subsidized	35	50%						84.00			1,194	1,194	ction 8 - PHA Project Based Vouch	15	5		41,790	2.00%	1,100	38,500	762	-68%	-68%	113.8%	114%	#DIV/0!
3	2.0	LIHTC Subsidized	27	50%		519	519			105.00					Section 9	40			14,013	2.00%	1,250	33,750	880	29%		48.1%		#DIV/0!
3	2.0	LIHTC Subsidized	16	50%						105.00			1,648	1,648	ction 8 - PHA Project Based Vouch	15	5		26,368	2.00%	1,250	20,000	880	-99%	-99%	135.1%	135%	#DIV/0!
4	2.0	LIHTC Subsidized	23	50%		519	519			137.00					Section 9	40			11,937	2.00%	1,350	31,050	982	33%		45.3%		#DIV/0!
5	2.0	LIHTC Subsidized	10	50%						137.00					Section 9	40			0	2.00%	1,350	13,500	1,083	87%		8.6%		#DIV/0!
2	2.0	Manager	1	50%		519	519												519	2.00%	1,100	1,100				46.2%		#DIV/0!
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Total Units	185
Commercial Units	0
Residential Units	185
Manager Units	1

http://www.huduser.org/portal/datasets/mtsp.html

Percent Residential	100.00%
BE Occupancy	90.26%

HUD Income	
Median Income / Family of 4	49,900
As Of (Date)	3/6/15
Location	Miami Dade County
AMI source	HUD

Date AMI checked	7/6/15
Rent floor election year	

	LIHTC	Market	Commercial	Subsidized	TOTAL	Garages	Day Care Bldg
Total Units	1	0	0	184	185		
Monthly Rent	55,533	0	0	84,002	139,535		
Annual Rent	666,396	0	0	1,008,024	1,674,420	0	0
Total RentableSq Ftg	0	0	0	207,200	207,200		

0	Total Commercial Sq Ft
	Is Commercial Space a Master Lease (Y/N)
0	Commercial Rent per Sq Ft
	Type of Lease NN or NNN)
	Is Commercial Space Eligible for Historic Credits

	Utilities	Source	Date
Tenant Paid	Gas & Electric	PHCD	
Owner Paid	Trash and Water	PHCD	

AMI Analysis		% Change
2006	55,900	
2007	45,200	-19.14%
2008	49,200	8.85%
2009	50,800	3.25%
2010	52,200	2.76%
2011	51,900	-0.57%
2012	52,600	1.35%
2013	49,000	-6.84%
2014	48,400	-1.22%
2015	49,900	3.10%
2016		0.00%
		-0.94%

Source: huduser.org

4 person very low income: 33,850

Max LIHTC Income and Rents

# BDRMS	Family Size	Adj Factor	50% Income	50% Rent	60% Income	60% Rent	Income	Rent	Income	Rent	Income	Rent	Income	Rent
0	1	0.70	23,695	592	28,434	711	0	0	0	0	0	0	0	0
1	1.5	0.75	25,388	635	30,465	762	0	0	0	0	0	0	0	0
	2	0.80	27,080	677	32,496	812	0	0	0	0	0	0	0	0
2	3	0.90	30,465	762	36,558	914	0	0	0	0	0	0	0	0
	4	1.00	33,850	846	40,620	1,016	0	0	0	0	0	0	0	0
3	4.5	1.04	35,204	880	42,245	1,056	0	0	0	0	0	0	0	0
	5	1.08	36,558	914	43,870	1,097	0	0	0	0	0	0	0	0
4	6	1.16	39,266	982	47,119	1,178	0	0	0	0	0	0	0	0
	7	1.24	41,974	1,049	50,369	1,259	0	0	0	0	0	0	0	0
5	7.5	1.28	43,328	1,083	51,994	1,300	0	0	0	0	0	0	0	0
	8	1.32	44,682	1,117	53,618	1,340	0	0	0	0	0	0	0	0

1.12

% of funding	Required Loans / Source of Funds / Lender Name	Principal	Debt / Unit	Payment Type	Interest Rate	Perm Loan Closing Date	1st Pay Date	Amort Yrs	Term Yrs	Recourse Y/N)	Sponsor/Related Party	Is lender related to investor	Source	Conversion Requirements
15.60%	First Mortgage	6,810,000	36,811	Amortizing	6.25%	6/1/17	7/1/17	35	35	N	N	N	Private Lender	
0.00%			0											
0.00%			0											
0.00%			0											
0.00%			0											
		6,810,000	**36,811**											
	Contingent Loans / Lender Name													
9.67%	County General Obligation Bonds	4,220,026	22,811	Amortizing	2.37%	1/1/16	2/1/16	35	35	N	N		County Loan Sources	
2.50%	PHCD Documentary Surtax Fund	1,091,445	5,900	Amortizing	2.37%	1/1/16	2/1/16	35	35	N	N		County Loan Sources	
3.33%	PHCD CFFP	1,455,261	7,866	Amortizing	2.37%	1/1/16	2/1/16	35	35	N	N		County Loan Sources	
4.35%	Other Public and Private Funds	1,900,000	10,270	Amortizing	2.37%	1/1/16	2/1/16	35	35	N	N		Other	
0.00%			0											
0.00%			0											
0.00%			0											
0.00%			0											
	Subtotal Contingent Loans	**8,666,732**	**46,847**											

	Grants		Comments	Fed Grant ? (Y/N)
0.00%				
0.00%				
	Subtotal Grants	**0**		

	Other Sources		Comments			
0.00%	State Tax Equity Provider	0				
0.00%	Cash Flow from Operations	0	Percentage of cash flow from operations to fund deal	0%	No of Yrs	2
0.00%						
0.00%						
0.00%						
0.00%						
0.00%	GP Capital					
0.00%	Developer Fee via Cash Flow	0	0 Year DDF Paid Off			
64.54%	NEF Equity	28,168,183	DDF paid on RA page			
	Subtotal Other Sources	**28,168,183**				
100.00%	**Total Sources**	**43,644,915**				

Construction Financing

Construction Lender	Principal	Interest Rate	Conversion Date	Maturity Date	Comments	Bond Financing (Y/N)
First Mortgage	14,205,023	6.25%	6/1/17	6/1/17		

Development Costs

Uses of Funds		Total	Per Sq Ft	Per Unit	Depreciable Basis	NC/Rehab Eligible	Acquisition Eligible	Commercial Costs	Non-Depreciable	Amortized	Yrs	Expensed	Historic Basis	Bond Basis	Check	Comments
Land	0%		0	0	0	X	0	0	0	0		0	X	0	0	
Building	0		0	0	0	X	0	0	0	0	0	0	X	0	0	
Acquisition Legal Costs			0	0	0	X	0	0	0	0		0	X	0	0	
Other acquisition costs - holding costs			0	0	0	X	0	0	0	0		0	X	0	0	
Other acquisition costs			0	0	0	X	0	0	0	0		0	X	0	0	
Off-Site Improvements		1,850,000	9	10,000	0	X	0	0	1,850,000	0		0	X	0	0	
Site Work - Bldg Life Depr (Utility & Sewer Lines)			0	0	0	0	0	0	0	0		0	X	0	0	
Site Work - Non Depr (Grading, Demolition, Land Clearing)		894,660	4	4,836	0	0	0	0	894,660	0		0	X	0	0	
Site Work - 15 Year Depr (Landscaping, fine grading, sidewalks)			0	0	0	0	0	0	0	0		0	X	0	0	
Basic Construction Retention %		23,355,098	113	126,244	23,355,098	23,355,098	0	0	0	0		0	0	23,355,098	0	
Personal Property			0	0	0	0	0	0	0	0		0		0	0	
Gen. Req., Builder's OH & Profit	14.08%	3,415,167	16	18,460	3,415,167	3,415,167	0	0	0	0		0	0	3,415,167	0	
Other Construction Hard Costs - Solar			0	0	0	0	0	0	0	0		0	0	0	0	
Other Construction Hard Costs			0	0	0	0	0	0	0	0		0	0	0	0	
Other Construction Hard Costs			0	0	0	0	0	0	0	0		0	0	0	0	
CONSTRUCTION CONTINGENCY	5.03%	1,484,284	7	8,023	1,484,284	1,484,284	0	0	0	0		0	0	1,484,284	0	
Payment and Performance Bond		262,705	1	1,420	262,705	262,705	0	0	0	0		0	0	262,705	0	
Architect/Design		700,000	3	3,784	700,000	700,000	0	0	0	0		0	0	700,000	0	
Construction Management/Architect Supervision		190,000	1	1,027	190,000	190,000	0	0	0	0		0	0	190,000	0	
Construction Permits and Fees			0	0	0	0	0	0	0	0		0	0	0	0	
Lender or NEF Inspection fee		16,000	0	86	16,000	16,000	0	0	0	0		0	0	16,000	0	
Engineering		380,000	2	2,054	380,000	380,000	0	0	0	0		0	0	380,000	0	
Environmental Reporting and Abatement		25,000	0	135	25,000	25,000	0	0	0	0		0	0	25,000	0	
Geotechnical Study/Soil Borings		70,000	0	378	70,000	70,000	0	0	0	0		0	0	70,000	0	
Other Construction Soft Costs		75,000	0	405	75,000	75,000	0	0	0	0		0	0	75,000	0	
Other Construction Soft Costs			0	0	0	0	0	0	0	0		0	0	0	0	
Construction Loan Origination Fee		199,285	1	1,077	199,285	199,285	0	0	0	0	20	0	0	199,285	0	
CONSTRUCTION LOAN INTEREST IN BASIS	557,745	346,642	2	1,874	346,642	346,642	0	0	0	0		0	0	346,642	0	
CONSTRUCTION LOAN INTEREST EXPENSED		763,126	4	4,125	0	0	0	0	0	0		763,126	0	0	0	
Construction Period RE Taxes		60,000	0	324	60,000	60,000	0	0	0	0		0	0	60,000	0	
Construction Period Insurance		650,000	3	3,514	650,000	650,000	0	0	0	0		0	0	650,000	0	
Other Misc Construction Related:			0	0	0	0	0	0	0	0		0	0	0	0	
Appraisal		13,000	0	70	13,000	13,000	0	0	0	0		0	0	13,000	0	
Market Study		12,000	0	65	12,000	12,000	0	0	0	0		0	0	12,000	0	
Survey		30,000	0	162	30,000	30,000	0	0	0	0		0	0	30,000	0	
Predevelopment Loan Interest and Fees			0	0	0	0	0	0	0	0	15	0	0	0	0	
Consulting Fees			0	0	0	0	0	0	0	0	15	0	0	0	0	
"Project" Bridge Loan Interest in Basis			0	0	0	0	0	0	0	0		0	0	0	0	
Loan Origination Fee - Permanent			0	0	0	0	0	0	0	0	35	0	0	0	0	
Title & Recording		170,000	1	919	153,000	153,000	0	0	17,000	0	10	0	0	153,000	0	
Legal - Syndication/Organization		0	0	0	0	0		0	0	0	15	0	0	0	0	
Legal - Bond/Perm Loan			0	0	0	0	0	0	0	0	35	0	0	0	0	
Legal - Construction		255,000	1	1,378	255,000	255,000	0	0	0	0		0	0	255,000	0	
Due Diligence - NEF		52,000	0	281	0	0	0	0	52,000	0		0	0	0	0	
Tax Credit Allocation Fee		204,880	1	1,107	0	0	0	0	0	204,880	10	0	0	0	0	
Tax Credit Compliance Fees		109,218	1	590	0	0	0	0	0	109,218	10	0	0	0	0	
Lease-up and Marketing Costs		142,000	1	768	0	0	0	0	0	142,000	1	0	0	0	0	
Accounting/Post Const. Audit		35,000	0	189	0	0	0	0	0	0		35,000	0	0	0	
Soft Cost Contingency		306,115	1	1,655	306,115	306,115	0	0	0	0		0	0	306,115	0	
Other Soft Costs		21,933	0	119	21,933	21,933	0	0	0	0	2	0	0	21,933	0	
Other Soft Costs		706,629	3	3,820	706,629	706,629	0	0	0	0		0	0	706,629	0	
Other Soft Costs		250,000	1	1,351	250,000	250,000	0	0	0	0		0	0	250,000	0	
Developer Fee - Construction	100%	5,602,163	27	30,282	5,602,163	5,602,163	0	0	0	0		0	0	5,602,163	0	
Developer Fee - Acquisition	0%		0	0	0		0	0	0	0		0	0	0	0	
Developer Fee - Other			0	0	0	0	0	0	0	0		0	0	0	0	
Initial Operating Reserve	1.47	185,000	1	1,000	0	0	0	0	185,000	0		0	X	0	0	
Capitalized Replacement Reserve	0		0	0	0	0	0	0	0	0		0	X	0	0	
Capitalized ACC Reserve			0	0	0	0	0	0	0	0		0	X	0	0	
Capitalized Rev Deficit Reserve	4	510,000	2	2,757	0	0	0	0	510,000	0		0	X	0	0	
Capitalized Ins & Tax Escrow		300,000	1	1,622	0	0	0	0	300,000	0		0	X	0	0	
Capitalized Lease-Up Reserve			0	0	0	0	0	0	0	0		0	X	0	0	
Other Reserves			0	0	0	0	0	0	0	0		0	X	0	0	
Other Reserves			0	0	0	0	0	0	0	0		0	X	0	0	
Other Reserves				0	0	0	0	0	0	0		0	X	0	0	
Accrued Contingent Loan Interest		160,372			0	0	0	0	0	0		0	0	0	160,372	
Total Uses		43,641,905	211	235,902	38,579,021	38,579,021	0	0	3,808,660	456,098		798,126	0	38,579,021	0	

Sources/Uses Surplus (Gap)	3,010

Lease-Up Schedule / Credit Delivery

Number of Residential Units	185	First Building Placed in Service	12/1/16	Acquisition Credits Allocated/yr	0
Number of Tax Credit Units	185	Last Building Placed in Service	12/1/16	LIHTCs Allocated @ 100%/yr	0
Number of Market Units	0	Construction Contract Completion Date		LIHTCs Allocated @ 130%/yr	2,561,000
Commercial Square Footage	0			Cal State Credits Allocated @ 100%	0
Square Footage of Building	207,200			Cal State Credits Allocated @ 130%	0
Start of Construction	1/1/16			State Credits Allocated	0
Completion/CofO/Placed in Service	12/1/16			Historic Credits Allocated	0
Start of Leasing/Move-in Date	12/1/16	Absorption (avg units/month) per market study	50	State Historic Credits Allocated	0
100% Lease-Up/Qualified Occupancy	4/1/17	Absorption (avg units/month) per model	37	Solar Credits	0
Start of QO Tax Credit Units PIS	12/1/2016				
Construction Period	11				

Year	Tax Credit Units Leased (Income)	Cumulative TC Units Leased	Tax Credit Units Leased (Credits)	Non TC Units Leased	Cumulative Non TC Units Leased	Commercial Sq Ft Leased	Tax Credit Rental Income	Commercial Income	Non Tax Credit Rental Income	Total Rental Income	Rehab Tax Credits	Acq Tax Credits	Total Tax Credits
Jan-16		0			0		0	0	0	0	0	0	0
Feb-16		0			0		0	0	0	0	0	0	0
Mar-16		0			0		0	0	0	0	0	0	0
Apr-16		0			0		0	0	0	0	0	0	0
May-16		0			0		0	0	0	0	0	0	0
Jun-16		0			0		0	0	0	0	0	0	0
Jul-16		0			0		0	0	0	0	0	0	0
Aug-16		0			0		0	0	0	0	0	0	0
Sep-16		0			0		0	0	0	0	0	0	0
Oct-16		0			0		0	0	0	0	0	0	0
Nov-16		0			0		0	0	0	0	0	0	0
Dec-16	37	37	37		0		27,907	0	0	27,907	42,683	0	42,683
TOTAL	**37**	**37**	**37**	**0**	**0**		**27,907**	**0**	**0**	**27,907**	**42,683**	**0**	**42,683**

Year	Tax Credit Units Leased (Income)	Cumulative Tax Credit Units Leased	Tax Credit Units Leased (Credits)	Non Tax Credit Units Leased	Cumulative Non Tax Credit Units	Commercial Sq FT Leased	Tax Credit Rental Income	Commercial Income	Non Tax Credit Rental Income	Total Rental Income	Rehab Tax Credits	Acq Tax Credits	Total Tax Credits
Jan-17	37	74	37		0		55,814	0	0	55,814	512,200	0	512,200
Feb-17	37	111	37		0		83,721	0	0	83,721	469,517	0	469,517
Mar-17	37	148	37		0		111,628	0	0	111,628	426,833	0	426,833
Apr-17	37	185	37		0		139,535	0	0	139,535	384,150	0	384,150
May-17		185			0		139,535	0	0	139,535	0	0	0
Jun-17		185			0		139,535	0	0	139,535	0	0	0
Jul-17		185			0		139,535	0	0	139,535	0	0	0
Aug-17		185			0		139,535	0	0	139,535	0	0	0
Sep-17		185			0		139,535	0	0	139,535	0	0	0
Oct-17		185			0		139,535	0	0	139,535	0	0	0
Nov-17		185			0		139,535	0	0	139,535	0	0	0
Dec-17		185			0		139,535	0	0	139,535	0	0	0
Credits from QO Units PIS in 2016											**512,200**	**0**	**512,200**
TOTAL	**148**	**185**	**148**	**0**	**0**		**1,506,978**	**0**	**0**	**1,506,978**	**2,304,900**	**0**	**2,304,900**

Lease-Up Schedule / Credit Delivery

Year	Tax Credit Units Leased (Income)	Cumulative Tax Credit Units Leased	Tax Credit Units Leased (Credits)	Non Tax Credit Units Leased	Cumulative Non Tax Credit Units	Commercial Sq FT Leased	Tax Credit Rental Income	Commercial Income	Non Tax Credit Rental Income	Total Rental Income	Rehab Tax Credits	Acq Tax Credits	Total Tax Credits
Jan-18		185			0		139,535	0	0	139,535	0	0	0
Feb-18		185			0		139,535	0	0	139,535	0	0	0
Mar-18		185			0		139,535	0	0	139,535	0	0	0
Apr-18		185			0		139,535	0	0	139,535	0	0	0
May-18		185			0		139,535	0	0	139,535	0	0	0
Jun-18		185			0		139,535	0	0	139,535	0	0	0
Jul-18		185			0		139,535	0	0	139,535	0	0	0
Aug-18		185			0		139,535	0	0	139,535	0	0	0
Sep-18		185			0		139,535	0	0	139,535	0	0	0
Oct-18		185			0		139,535	0	0	139,535	0	0	0
Nov-18		185			0		139,535	0	0	139,535	0	0	0
Dec-18		185			0		139,535	0	0	139,535	0	0	0
Credits from QO Units PIS in 2016											**512,200**	**0**	**512,200**
Credits from QO Units PIS in 2017											**2,048,800**	**0**	**2,048,800**
TOTAL	**0**	**185**	**0**	**0**	**0**		**1,674,420**	**0**	**0**	**1,674,420**	**2,561,000**	**0**	**2,561,000**
		units agree	units agree		units agree	sq ft agrees							

	Credits	Price/Credit	Equity
Federal LIHTC Credits	25,607,439	1.100	28,168,183
Federal Historic Tax Credits	0		0
State LIHTC Credits Purchased by NEF	0		0
State Historic Credits Purchased by NEF	0		0
Solar Credits	0		0
Total Limited Partner Equity			**28,168,183**
State LIHTC Credits Purchased by a 3rd Party			
3rd Party Buyer			
State Historic Credits Purchased by a 3rd Party			
3rd Party Buyer			
Total			**28,168,183**

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Equity Installments

Payment	Project Milestone	Date	Qtr Paid	Development Costs Percent	Project Cost	Developer Fee Percent	Developer Fee	Total Reserves Payment	NEF Reserves	Total Equity Paid	Total Equity Percent	3rd Party Equity	NEF and 3rd Party EQUITY
1	NEF Closing/Construction Start	1/1/16	3/31/16	10.46%	2,256,602	10.00%	560,216		0	2,816,818	10.00%	0	2,816,818
2	25% Construction Complete	4/1/16	6/30/16	26.12%	5,633,637		0		0	5,633,637	20.00%	0	5,633,637
3	50% Construction Complete	8/1/16	9/30/16	26.12%	5,633,637		0		0	5,633,637	20.00%	0	5,633,637
4	75% Construction Complete	10/1/16	12/31/16	26.12%	5,633,637		0		0	5,633,637	20.00%	0	5,633,637
5	100% Construction Complete/ Placed in Service/ CO	12/1/16	12/31/16	5.34%	1,151,907	80.00%	4,481,730		0	5,633,637	20.00%	0	5,633,637
6	Stabilization / Conversion / Final Cost Cert / 8609	6/1/17	6/30/17	5.85%	1,261,602	10.00%	560,216	995,000	995,000	2,816,818	10.00%	0	2,816,818
7	Tax Return				0		0		0	0	0.00%	0	0
8					0		0		0	0	0.00%	0	0
9					0		0		0	0	0.00%	0	0
10					0		0		0	0	0.00%	0	0
TOTAL				100.00%	21,571,020	100.00%	5,602,163	995,000	995,000	28,168,183	100.00%	0	28,168,183
					21,571,020					Equity Agrees		Equity Agrees	

Developer Fee	
Maximum Deferred Fee Percentage	50.00%
Developer Fee	5,602,163
From Cash Flow	0
From Equity	5,602,163
Percentage of Fee Deferred	0.00%

Operating Expenses

	Units 185	Annual Expense	Per Unit	Escalator	Comments	calculated property mgmt fee	alternate property mgmt fee calculation
General & Administrative	Property Management Fee	98,099	530	3.00%		6.38%	
	Misc. Prop. Mgmt. Fees		0	3.00%			
	Accounting/Auditing		0	3.00%			98,099
	Legal		0	3.00%			
	Office Supplies & Expense		0	3.00%			
	Telephone Answering Service		0	3.00%			
	Other - LIHTC Compliance Monitoring		0	3.00%			
	Other - Misc. Admin.		0	3.00%			
		98,099	530				
Payroll & Related	Administrative Payroll		0	3.00%			
	Maintenance Payroll		0	3.00%			
	Repair Payroll		0	3.00%			
	Payroll Taxes		0	3.00%			
	Fringe Benefits		0	3.00%			
	Other		0	3.00%			
		0	0				
						Owner Paid	Tenant Paid
Utilities	Electric (Common Area)		0	3.00%			
	Gas/Fuel Oil/Coal (Common Area)		0	3.00%			
	Water & Sewer		0	3.00%			
	Electric (for Units)		0	3.00%			
	Gas/Fuel Oil/Coal (for Units)		0	3.00%			
	Other		0	3.00%			
		0	0				
Maintenance & Repair	Cleaning (Janitorial)		0	3.00%			
	Elevator Maintenance		0	3.00%			
	Exterminating		0	3.00%			
	Fire Alarm Inspection		0	3.00%			
	Grounds Maintenance	818,400	4,424	3.00%			
	Grounds Maintenance Contract		0	3.00%			
	Painting & Decorating/Make-ready		0	3.00%			
	Repairs		0	3.00%			
	Repairs Contract		0	3.00%			
	Security		0	3.00%			
	Supplies		0	3.00%			
	Trash Removal/Snow Removal		0	3.00%			
	Vehicle/Equipment Maintenance		0	3.00%			
	Other - Misc Ops and Maint Expenses		0	3.00%			
	Reserves		0	3.00%			
		818,400	4,424				
Market & Leasing	Advertising		0	3.00%			
	Credit Investigations		0	3.00%			
	Leasing Fees		0	3.00%			
	Other		0	3.00%			
		0	0				
Taxes & Insurance	Insurance - Liability		0	3.00%			
	Other Taxes, Licenses & Fees		0	3.00%			
	Real Estate Taxes	59,520	322	3.00%			
	Property/Liability (Hazard)		0	3.00%			
	Other		0	3.00%			
		59,520	322				

Total Annual Operating Budget: 976,019

Annual Operating Budget per Unit (PUPA): **5,276**

Is the project providing a washer/dryer in unit(s): Y/N

Which units are provided w/washer & dryer:

Cash Flow

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	Sale 2032	0	0	TOTAL
Project Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	
% of Year in Operation	1.67%	90.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	0.00%	0.00%	
LIHTC and Subsidized Vacancy Override																				
INCOME																				
Gross Rent Paid - LIHTC Units 2.00%	11,107	599,756	693,318	707,185	721,328	735,755	750,470	765,480	780,789	796,405	812,333	828,580	845,151	862,054	879,295	896,881	914,819	0	0	12,600,707
Gross Rent Paid - Sub Units Increase 2.00%	16,800	907,222	1,048,748	1,069,723	1,091,118	1,112,940	1,135,199	1,157,903	1,181,061	1,204,682	1,228,776	1,253,351	1,278,418	1,303,987	1,330,066	1,243,612	0	0	0	17,563,605
Gross Rent Paid - After Contract 2.00%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	113,056	1,383,801	0	0	1,496,857
Market Rent	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Gross Residential Income	**27,907**	**1,506,978**	**1,742,067**	**1,776,908**	**1,812,446**	**1,848,695**	**1,885,669**	**1,923,382**	**1,961,850**	**2,001,087**	**2,041,109**	**2,081,931**	**2,123,569**	**2,166,041**	**2,209,362**	**2,253,549**	**2,298,620**	**0**	**0**	31,661,168
LIHTC Vacancy @ 7.0%	(777)	(41,983)	(48,532)	(49,503)	(50,493)	(51,503)	(52,533)	(53,584)	(54,655)	(55,748)	(56,863)	(58,001)	(59,161)	(60,344)	(61,551)	(62,782)	(64,037)	0	0	(882,049)
Subsidized Residential Vacancy @ 7.0%	(1,176)	(63,506)	(73,412)	(74,881)	(76,378)	(77,906)	(79,464)	(81,053)	(82,674)	(84,328)	(86,014)	(87,735)	(89,489)	(91,279)	(93,105)	(94,967)	(96,866)	0	0	(1,334,232)
Market Residential Vacancy @ 7.0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Income / yr @ 2% increase / yr	185	10,190	11,548	11,779	12,015	12,255	12,500	12,750	13,005	13,266	13,531	13,801	14,077	14,359	14,646	14,939	15,238	0	0	210,087
Other Income Vacancy @ 7.0%	(13)	(713)	(808)	(825)	(841)	(858)	(875)	(893)	(910)	(929)	(947)	(966)	(985)	(1,005)	(1,025)	(1,046)	(1,067)	0	0	(14,706)
Commercial @ 2% increase / yr	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Commercial Vacancy @ 7.0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Income																				0
Total Effective Gross Income from Project	**26,126**	**1,410,966**	**1,630,862**	**1,663,479**	**1,696,749**	**1,730,684**	**1,765,297**	**1,800,603**	**1,836,615**	**1,873,348**	**1,910,815**	**1,949,031**	**1,988,012**	**2,027,772**	**2,068,327**	**2,109,694**	**2,151,888**	**0**	**0**	29,640,267
EXPENSES																				
GENERAL & ADMINISTRATIVE	1,635	90,938	104,073	107,195	110,411	113,724	117,135	120,649	124,269	127,997	131,837	135,792	139,866	144,062	148,384	152,835	157,420	0	0	2,028,222
PAYROLL & RELATED	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
UTILITIES	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
MAINTENANCE & REPAIR	13,640	758,657	868,241	894,288	921,116	948,750	977,212	1,006,529	1,036,725	1,067,826	1,099,861	1,132,857	1,166,843	1,201,848	1,237,903	1,275,041	1,313,292	0	0	16,920,628
MARKETING & LEASING	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TAXES & INSURANCE	992	55,175	63,145	65,039	66,990	69,000	71,070	73,202	75,398	77,660	79,990	82,390	84,861	87,407	90,029	92,730	95,512	0	0	1,230,591
OTHER EXPENSES																				0
Total Expenses	**16,267**	**904,770**	**1,035,459**	**1,066,522**	**1,098,518**	**1,131,474**	**1,165,418**	**1,200,380**	**1,236,392**	**1,273,483**	**1,311,688**	**1,351,039**	**1,391,570**	**1,433,317**	**1,476,316**	**1,520,606**	**1,566,224**	**0**	**0**	20,179,441
Replacement Reserve (Funding Req.) @$300	925	51,449	58,880	60,646	62,466	64,340	66,270	68,258	70,306	72,415	74,587	76,825	79,130	81,504	83,949	86,467	89,061	0	0	1,147,477
Total Expenses including Replacement Reserve	**17,192**	**956,218**	**1,094,339**	**1,127,169**	**1,160,984**	**1,195,813**	**1,231,688**	**1,268,638**	**1,306,697**	**1,345,898**	**1,386,275**	**1,427,864**	**1,470,699**	**1,514,820**	**1,560,265**	**1,607,073**	**1,655,285**	**0**	**0**	21,326,918
NET OPERATING INCOME	**8,934**	**454,748**	**536,523**	**536,311**	**535,765**	**534,871**	**533,610**	**531,965**	**529,918**	**527,449**	**524,539**	**521,167**	**517,312**	**512,951**	**508,062**	**502,621**	**496,603**	**0**	**0**	8,313,350
ECR	1.52	1.48	1.49	1.48	1.46	1.45	1.43	1.42	1.41	1.39	1.38	1.36	1.35	1.34	1.33	1.31	1.30	0.00	0.00	
Req'd ECR 1.05 Cash needed for ECR	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
DEBT SERVICE (MUST-PAY))																				
First Mortgage Loan																				
Principal Pmt. - First Mortgage	0	27,422	57,476	61,173	65,107	69,295	73,752	78,496	83,545	88,919	94,638	100,726	107,205	114,100	121,439	129,251	137,564	0	0	1,410,109
Interest Pmt. - First Mortgage	0	212,458	422,283	418,586	414,652	410,464	406,007	401,263	396,214	390,840	385,120	379,033	372,554	365,659	358,319	350,508	342,195	0	0	6,026,154
Loan Servicing and/or MIP Fees	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total Debt Service - First Mortgage	0	239,879	479,759	479,759	479,759	479,759	479,759	479,759	479,759	479,759	479,759	479,759	479,759	479,759	479,759	479,759	479,759	0	0	7,436,263
Cash-flow after debt service - 1st	**8,934**	**214,868**	**56,765**	**56,552**	**56,006**	**55,112**	**53,851**	**52,206**	**50,159**	**47,691**	**44,781**	**41,409**	**37,553**	**33,193**	**28,303**	**22,862**	**16,844**	**0**	**0**	**877,087**
Debt coverage ratio after 1st mortgage	0.00	1.90	1.12	1.12	1.12	1.11	1.11	1.11	1.10	1.10	1.09	1.09	1.08	1.07	1.06	1.05	1.04	0.00	0.00	
Second Mortgage Loan																				
Principal Pmt. -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest Pmt. -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Loan Servicing and/or MIP Fees	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total Debt Service -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash-flow after debt service - 2nd	**8,934**	**214,868**	**56,765**	**56,552**	**56,006**	**55,112**	**53,851**	**52,206**	**50,159**	**47,691**	**44,781**	**41,409**	**37,553**	**33,193**	**28,303**	**22,862**	**16,844**	**0**	**0**	**877,087**
Debt coverage ratio (TIF Note only)	0.00	1.90	1.12	1.12	1.12	1.11	1.11	1.11	1.10	1.10	1.09	1.09	1.08	1.07	1.06	1.05	1.04	0.00	0.00	
Third Mortgage Loan																				
Principal Pmt. -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest Pmt. -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Loan Servicing and/or MIP Fees	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total Debt Service -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash-flow after debt service - 3rd	**8,934**	**214,868**	**56,765**	**56,552**	**56,006**	**55,112**	**53,851**	**52,206**	**50,159**	**47,691**	**44,781**	**41,409**	**37,553**	**33,193**	**28,303**	**22,862**	**16,844**	**0**	**0**	**877,087**
Debt coverage ratio after 3rd mortgage	0.00	1.90	1.12	1.12	1.12	1.11	1.11	1.11	1.10	1.10	1.09	1.09	1.08	1.07	1.06	1.05	1.04	0.00	0.00	
Fourth Mortgage Loan																				
Principal Pmt. -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest Pmt. -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Loan Servicing and/or MIP Fees	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total Debt Service -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash-flow after debt service - 4th	**8,934**	**214,868**	**56,765**	**56,552**	**56,006**	**55,112**	**53,851**	**52,206**	**50,159**	**47,691**	**44,781**	**41,409**	**37,553**	**33,193**	**28,303**	**22,862**	**16,844**	**0**	**0**	**877,087**
Debt coverage ratio after 4th mortgage	0.00	1.90	1.12	1.12	1.12	1.11	1.11	1.11	1.10	1.10	1.09	1.09	1.08	1.07	1.06	1.05	1.04	0.00	0.00	

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	0	0	TOTAL
Project Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	
Fifth Mortgage Loan																				
Principal Pmt. -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest Pmt. -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Loan Servicing and/or MIP Fees	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total Debt Service -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash-flow after debt service - 5th	**8,934**	**214,868**	**56,765**	**56,552**	**56,006**	**55,112**	**53,851**	**52,206**	**50,159**	**47,691**	**44,781**	**41,409**	**37,553**	**33,193**	**28,303**	**22,862**	**16,844**	**0**	**0**	**877,087**
Debt coverage ratio after 5th mortgage	0.00	1.90	1.12	1.12	1.12	1.11	1.11	1.11	1.10	1.10	1.09	1.09	1.08	1.07	1.06	1.05	1.04	0.00	0.00	
Req'd DSC	Cash needed for DSC																			0
																				0
																				0
Cash Flow From Operations for Construction Costs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Release of Operating Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash Flow After Required Payments & Funding of Operating Reserve	**8,934**	**214,868**	**56,765**	**56,552**	**56,006**	**55,112**	**53,851**	**52,206**	**50,159**	**47,691**	**44,781**	**41,409**	**37,553**	**33,193**	**28,303**	**22,862**	**16,844**	**0**	**0**	**877,087**
RESERVE WITHDRAWALS																				
1 Initial Operating Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2 Capitalized ACC Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3 Capitalized Rev Deficit Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4 Capitalized Lease-Up Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5 Other Reserves	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PAYMENTS CONTINGENT ON AVAILABLE CASH-FLOW																				
1 Annual NEFAsset Management Fee	8,934	19,055	19,627	20,215	20,822	21,447	22,090	22,753	23,435	24,138	24,862	25,608	26,377	27,168	27,983	22,862	16,844	0	0	374,219
2 Incentive Management Fee	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3 Deferred Developer Fee - Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4 Deferred Developer Fee - Principal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
16 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
18 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
21 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
22 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
23 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
24 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
25 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
26 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
27 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Remaining Cash	0	195,813	37,138	36,336	35,184	33,665	31,761	29,454	26,724	23,552	19,918	15,800	11,177	6,025	320	0	0	0	0	502,868

Excess Cash Allocation to Distributions																				
General Partner Share @ 0.01%	0	20	4	4	4	3	3	3	3	2	2	2	1	1	0	0	0	0	0	50
Limited Partner Share @ 99.99%	0	195,794	37,134	36,333	35,181	33,662	31,758	29,451	26,721	23,550	19,916	15,799	11,176	6,024	320	0	0	0	0	502,817

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Project Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	
Reserve Balances	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	2034	
Initial Operating Reserve		0	185,000	188,700	192,474	196,323	200,250	183,829	168,755	154,917	142,214	130,553	119,847	110,020	100,998	92,716	85,114	78,134	70,321	
Contributions to Operating Reserve	0	185,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Interest on Reserve Account	0	0	3,700	3,774	3,849	3,926	4,005	3,677	3,375	3,098	2,844	2,611	2,397	2,200	2,020	1,854	1,702	0	0	45,034
Withdrawal from Operating Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Other Use (Expense / Capitalized)	0	0	0	0	0	0	20,425	18,751	17,213	15,802	14,506	13,316	12,224	11,222	10,302	9,457	8,682	7,813		
Balance before Release	0	185,000	188,700	192,474	196,323	200,250	183,829	168,755	154,917	142,214	130,553	119,847	110,020	100,998	92,716	85,114	78,134	70,321	70,321	
Release of Operating Reserve to cash flow																				
Ending Balance	0	185,000	188,700	192,474	196,323	200,250	183,829	168,755	154,917	142,214	130,553	119,847	110,020	100,998	92,716	85,114	78,134	70,321	70,321	
	2%																			
Capitalized Replacement Reserve		925	52,390	112,318	175,211	241,181	310,344	344,539	377,719	410,021	441,573	472,492	502,890	532,870	562,528	591,955	621,235	650,449	585,404	
Interest on Reserve Account	0	17	1,048	2,246	3,504	4,824	6,207	6,891	7,554	8,200	8,831	9,450	10,058	10,657	11,251	11,839	12,425	0	0	115,002
Withdrawal from Replacement Reserve																				
Contributions to Replacement Reserve	925	51,449	58,880	60,646	62,466	64,340	66,270	68,258	70,306	72,415	74,587	76,825	79,130	81,504	83,949	86,467	89,061	0	0	
Other Use (Expense / Capitalized)	0	0	0	0	0	0	38,282	41,969	45,558	49,064	52,499	55,877	59,208	62,503	65,773	69,026	72,272	65,045	0	
Balance before Release																				
Release to cash flow																				
Ending Balance	925	52,390	112,318	175,211	241,181	310,344	344,539	377,719	410,021	441,573	472,492	502,890	532,870	562,528	591,955	621,235	650,449	585,404	585,404	
Capitalized ACC Reserve		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Contributions to Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Interest on Reserve Account	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Withdrawal from Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Other Use (Expense / Capitalized)																				
Balance before Release																				
Release of Reserve to cash flow																				
Ending Balance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	2%																			
Capitalized Rev Deficit Reserve		0	510,000	520,200	530,604	541,216	552,040	563,081	574,343	585,830	597,546	609,497	621,687	634,121	646,803	659,739	672,934	686,393	686,393	
Contributions to Reserve	0	510,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Interest on Reserve Account	0	0	10,200	10,404	10,612	10,824	11,041	11,262	11,487	11,717	11,951	12,190	12,434	12,682	12,936	13,195	13,459	0	0	176,393
Withdrawal from Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Other Use (Expense / Capitalized)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Balance before Release																				
Release of Reserve to cash flow																				
Ending Balance	0	510,000	520,200	530,604	541,216	552,040	563,081	574,343	585,830	597,546	609,497	621,687	634,121	646,803	659,739	672,934	686,393	686,393	686,393	
	2%																			
Insurance & Tax Escrow (Funding Not Req.)		0	300,000	306,000	312,120	318,362	324,730	331,224	337,849	344,606	351,498	358,528	365,698	373,012	380,473	388,082	395,844	209,720	209,720	
Interest on Reserve Account	0	0	6,000	6,120	6,242	6,367	6,495	6,624	6,757	6,892	7,030	7,171	7,314	7,460	7,609	7,762	7,917	0	0	103,761
Withdrawal from Ins & Tax Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	194,041	0	0	
Contributions to Ins & Tax Reserve	0	300,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Other Use (Expense / Capitalized)																			0	
Balance before Release																				
Release of Reserve to cash flow																				
Ending Balance	0	300,000	306,000	312,120	318,362	324,730	331,224	337,849	344,606	351,498	358,528	365,698	373,012	380,473	388,082	395,844	209,720	209,720	209,720	
	2%																			
Capitalized Lease-Up Reserve		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Contributions to Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Interest on Reserve Account	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Withdrawal from Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Other Use (Expense / Capitalized)																				
Balance before Release	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Release of Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Ending Balance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	2%																			
Other Reserves		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Contributions to Other Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Interest on Reserve Account	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Withdrawal from Other Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Other Use (Expense / Capitalized)																				
Balance before Release																				
Release of Operating Reserve to cash flow																				
Ending Balance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	2%																			

Year Placed in Service 2017

Use of Reserves Analysis

Operating Reserve	Used in yrs multiple of	5	% of balance used	10%	% of use capitalized	0%
Replacement Reserve	Used in yrs multiple of	5	% of balance used	10%	% of use capitalized	90%
Revenue Deficit Reserve	Used in yrs multiple of	20	% of balance used	50%	% of use capitalized	
Insurance & Tax Escrow Reserve	Used in yrs multiple of	15	% of balance used	50%	% of use capitalized	

		2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Use of Operating Reserve		0	0	0	0	0	0	20,425	18,751	17,213	15,802	14,506	13,316	12,224	11,222	10,302	9,457	8,682	7,813
Use of Replacement Reserve		0	0	0	0	0	0	38,282	41,969	45,558	49,064	52,499	55,877	59,208	62,503	65,773	69,026	72,272	65,045
Use of Revenue Deficit Reserve		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Use of Insurance & Tax Escrow Reserve		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	194,041	0
Total Uses of Reserves		0	0	0	0	0	0	58,708	60,719	62,771	64,865	67,005	69,193	71,432	73,725	76,075	78,483	274,995	72,858
Total Currently Expensed		0	0	0	0	0	0	24,254	22,947	21,769	20,708	19,756	18,904	18,145	17,472	16,879	16,360	209,950	14,318
Total Currently Capitalized		0	0	0	0	0	0	34,454	37,772	41,002	44,157	47,249	50,289	53,287	56,253	59,195	62,123	65,045	58,540
Cumulative Capitalized		0	0	0	0	0	0	34,454	72,226	113,228	157,385	204,634	254,923	308,210	364,463	423,659	485,782	550,827	609,367
Depreciation Taken	27.5	0	0	0	0	0	0	1,253	2,626	4,117	5,723	7,441	9,270	11,208	13,253	15,406	17,665	20,030	0
Remaining Capitalized Reserve Basis		0	0	0	0	0	0	33,201	68,346	105,231	143,665	183,473	224,492	266,572	309,571	353,361	397,820	442,835	501,375
Total Deduction for Use of Reserves		0	0	0	0	0	0	25,507	25,574	25,886	26,431	27,197	28,174	29,353	30,726	32,285	34,024	229,980	14,318

	Federal LIHTC			
	Total	Acquisition	Construction	
			100%	130%
Eligible Basis	38,579,021	0	0	38,579,021
Percentage of Cost with 130% Basis Boost	100.00%			
Res Portion of Solar Credits	0		0	0
Res Portion of Historic Rehab Credit	0		0	0
Subtotal	38,579,021	0	0	38,579,021
Less: Tax Exempt Bonds	0	0	0	0
Federal and Other Grants Off Basis	0	0	0	0
Other		0	0	0
Eligible Basis	**38,579,021**	**0**	**0**	**38,579,021**
Adjustment "Hard-to-Develop Area" or Qualified Census Tract		0.00%	100.00%	130.00%
Percentage of Historic Related Costs				
Adjusted Eligible Basis	50,152,727	0	0	50,152,727
Applicable Fraction		100.00%	100.00%	100.00%
Qualified Basis	**50,152,727**	**0**	0	**50,152,727**
Qualified Basis per Application		0	0	
Rate		3.22%	7.52%	7.52%
Annual LIHTC Amount Calculated	3,771,485	0	0	3,771,485
Actual Allocation	2,561,000	0	0	2,561,000
Used in Forecast (lessor)	2,561,000	0	0	2,561,000
Total Credits	25,610,000			

	No. of Units	Fraction	Total Sq Ft	Fraction
Low Income Apts	185	100.00%	207,200	100.00%
Market Rate Apts	0	0.00%	0	0.00%
Manager Unit	1			
TOTAL	186	100.00%	207,200	100.00%
Applicable fraction (the lesser of units or sq ft)				100.00%

50% Test	
Bond Analysis 50% Test (If Applicable)	
Total Tax Exempt Bond Proceeds	N/A
Add'l Const Period Bond Proceeds	
Total Project Basis	38,579,021
Bond Proceeds/Aggregate Basis	N/A

Project Assumptions

NEF Projections_Liberty Rising Phase 2 9%.xlsm
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Project Description

Project Name	Liberty Rising Phase 2	
Limited Partnership Name	Liberty Rising Phase I, LLC	
Spreadsheet Purpose (Project Status)	Shelf	
Location		
Street Address	4751 NW 24th Court	
City	Miami	
State		FL
Zip Code	33142	
County	Miami-Dade	
Census Tract #		
Type	Urban	
Current Date	7/8/15	
Sponsor #1	Miami Redevelopment Partners, LLC	
Sponsor #1 - Tax Status	For Profit	
Sponsor #2		
Sponsor #2 - Tax Status		
Deal Source	NEF	
1 # of Residential Buildings	# Total Buildings	1
Total Number of Residential Units		255
Construction Type	New	
Target Population	Family	
Effective Tax Rate		35%
State Tax Rate (CA only)		
Rehab with Tenants in place?		N
4% or 9% credit deal?		9%
Tax exempt bond deal? (Y/N)		N
Use Building by Building Depreciation Schedule (Y/N)		
QCT / DDA (Indicate Which)	QCT	
130% Boost (enter %, 101% - 130%)		130%
Is 3rd party buying state credits ?		N
SMT #		
Date Deal Secured		
Building Type	Multifamily	

Timing Assumptions

NEF Admission to Partnership	1/1/17
NEF Initial Funding	1/1/17
Construction Start	1/1/17
Placed in Service	12/1/17
Permanent Loan Closing	6/1/18
Projected First Credit Year	2017
Sale of Project	12/31/33

Partnership Information

Is Developer Cash Basis? (Y/N)	N	
General Partner Tax Exempt (Y/N)	N	
Co-General Partner Tax Exempt (Y/N)		
Lower-Tier LP Profit/Loss & Credits Share	99.99%	
Lower-Tier GP Profit/Loss & Credit Share	0.01%	
Sale Proceeds Share - LP Portion	10.00%	
Sale Proceeds Share - GP Portion	90.00%	
Deferred Developer Fee Interest Rate		
Applicable Fed. Rate (AFR)	2.74%	Jul-15
Lower-Tier LP Cash Flow Distribution Percentage	99.99%	
Length of LURA		

Escalators

Annual Residential Rent Increase - LIHTC	2.00%
-Subsidized	2.00%
Annual Residential Rent Increase - Mkt	2.00%
Residential Vacancy Rate - LIHTC	7.00%
-Subsidized	7.00%
-Mkt	7.00%
Annual Commercial Rent Increase	2.00%
Commercial Vacancy Rate	7.00%
Alternate escalation table being used	
Other Income Growth Rate	2.00%
Annual Expense Increase	3.00%

Reserves and Fees

	Y/N	$ Amt or % of EGI	Accrue Fee/Funding (Y/N)	Interest Earnings Rate	Growth Rate	Estimated Reserve Amount per Unit	Target Reserve Amount
Annual Funding of Replacement Reserve	Y	76,500		2.00%	3.00%	$300	
Annual Funding of Operating Reserve				2.00%	3.00%		
Annual Funding of Rev Deficit Reserve				2.00%	3.00%		
Annual NEFAsset Management Fee	Y	5,000		2.00%	3.00%		
Annual Partnership Mgmt Fee to GP	Y	7,500		2.00%	3.00%		
Management Incentive Fee							
Annual Funding of Ins & Tax Escrow				2.00%	3.00%		
Annual Funding of Other Reserves				2.00%	3.00%		

Project Assumptions

NEF Projections_Liberty Rising Phase 2 9%.xlsm
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Tax Credit Information

Acquisition Credit Rate	3.22%	Date	7/1/15	
Construction / Rehab Credit Rate	7.52%	Date	7/1/15	
Credit Rate Locked-In? (Y/N)	N	Date		
Annual Tax Credit frm Tax Credit Res	$2,561,000		Year of allocation	2015
Annual Tax Credit - 2nd year allocation			Elected set-aside	
Total Annual Tax Credit Allocation	$2,561,000		($2,490,369)	Unallocated
Total Annual Rehab Credit Allocated	$2,561,000			
Total Annual Acq Credit Allocated	$0			
Total LIHTC Basis+Land+Commercial	51,671,123			
10% Carryover Test Required (Y/N)	N			
Due Date of 10% Carryover				
Eligible for Solar Credits? (Y/N)	N			
Eligible for Acquisition Credit? (Y/N)	N			
Eligible for Cal State Tax Credit? (Y/N)	N			
Tax Credit Allocated				
Eligible for State LIHTC Credit? (Y/N)	N			
Tax Credit Allocated				
State LIHTC Credit - Number of Years				
Eligible for Historic Rehab Credit? (Y/N)	N			
Eligible for State Historic Tax Credit? (Y/N)	N		Number of Years	
State Historic Credit Percentage				

Other Annual Income	
Laundry	17,880
Vending	
Other Income	
TOTAL	17,880

Is 168 election required

Tax Exempt Bond Financing	
Bond Issuer	
Credit Enhancement Type	
Enhancement Provided by	
Bond Purchaser:	
Date of Bond Issuance	
Are These Draw Down Bonds	

Peredevelopment loan

NEF Regional Team:	
VP Originations	Tony Lyons
VP Supportive Housing	
Originations Manager	Sandra Seals
Originations Analyst	
VP Project Management	
Project Manager	
Constructions Risk Manager	
VP Asset Management	
Asset manager	

Project Characteristics Choose all that apply

# Bdrms	# Bath rooms	Description	# Units	Median Income Targeted	Description of Units	Developer Rent	NEF LIHTC Rent	HUD FMR	S8 Pymt Standard	Tenant Pd Utility	Market Units Rent	Average Market Rent	During Contract	After Contract	Subsidy Type	Term (yrs)	Stressed Term (yrs)	Monthly Comm Income	Total Monthly Income	Stressed Income Escalator	Sq Ft / Unit	Total Sq Ft	Max LIHTC Rent @ target AMI	% of Rent Below LIHTC Max	After Contract Rent % Below LIHTC Max	Rent As Max % of Income	% of AMI of After Contract Rents	% of Rent Below Avg Market Rent
1	1.0	LIHTC Subsidized	6	50%		519	519			66					Section 9	40			3,114	2.00%	650	3,900	635	8%		62.5%		#DIV/0!
1	1.0	LIHTC Subsidized	25	50%						66.00			932	932	ection 8 - PHA Project Based Vouch	15	5		23,300	2.00%	650	16,250	635	-57%	-57%	106.7%	107%	#DIV/0!
2	2.0	LIHTC Subsidized	76	50%		519	519			84.00					Section 9	40			39,444	2.00%	1,100	83,600	762	21%		53.7%		#DIV/0!
2	2.0	LIHTC Subsidized	45	50%						84.00			1,194	1,194	ection 8 - PHA Project Based Vouch	15	5		53,730	2.00%	1,100	49,500	762	-68%	-68%	113.8%	114%	#DIV/0!
3	2.0	LIHTC Subsidized	36	50%		519	519			105.00					Section 9	40			18,684	2.00%	1,250	45,000	880	29%		48.1%		#DIV/0!
3	2.0	LIHTC Subsidized	24	50%						105.00			1,648	1,648	ection 8 - PHA Project Based Vouch	15	5		39,552	2.00%	1,250	30,000	880	-99%	-99%	135.1%	135%	#DIV/0!
4	2.0	LIHTC Subsidized	29	50%		519	519			137.00					Section 9	40			15,051	2.00%	1,350	39,150	982	33%		45.3%		#DIV/0!
5	2.0	LIHTC Subsidized	13	50%						137.00					Section 9	40			0	2.00%	1,350	17,550	1,083	87%		8.6%		#DIV/0!
2	2.0	Manager	1	50%		519	519												519	2.00%	1,100	1,100				46.2%		#DIV/0!
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		Total Units	255													40	5											

Total Units	255
Commercial Units	0
Residential Units	255
Manager Units	1

Percent Residential 100.00%

BE Occupancy 61.24%

http://www.huduser.org/portal/datasets/mtsp.html

HUD Income	
Median Income / Family of 4	49,900
As Of (Date)	3/6/15
Location	Miami Dade County
AMI source	HUD

Date AMI checked 7/6/15

Rent floor election year

	LIHTC	Market	Commercial	Subsidized	TOTAL	Garages	Day Care Bldg
Total Units	1	0	0	254	255		
Monthly Rent	76,812	0	0	116,582	193,394		
Annual Rent	921,744	0	0	1,398,984	2,320,728	0	0
Total RentableSq Ftg	0	0	0	284,950	284,950		

0	Total Commercial Sq Ft
	Is Commercial Space a Master Lease (Y/N)
0	Commercial Rent per Sq Ft
	Type of Lease NN or NNN)
	Is Commercial Space Eligible for Historic Credits

AMI Analysis		% Change
2007	55,900	
2008	45,200	-19.14%
2009	49,200	8.85%
2010	50,800	3.25%
2011	52,200	2.76%
2012	51,900	-0.57%
2013	52,600	1.35%
2014	49,000	-6.84%
2015	48,400	-1.22%
2016	49,900	3.10%
2017		0.00%
		-0.94%

Source: huduser.org

4 person very low income 33,850

	Utilities	Source	Date
Tenant Paid	Gas & Electric	PHCD	
Owner Paid	Trash and Water	PHCD	

Max LIHTC Income and Rents

# BDRMS	Family Size	Adj Factor	50% Income	50% Rent	60% Income	60% Rent	Income	Rent	Income	Rent	Income	Rent	Income	Rent
0	1	0.70	23,695	592	28,434	711	0	0	0	0	0	0	0	0
1	1.5	0.75	25,388	635	30,465	762	0	0	0	0	0	0	0	0
	2	0.80	27,080	677	32,496	812	0	0	0	0	0	0	0	0
2	3	0.90	30,465	762	36,558	914	0	0	0	0	0	0	0	0
	4	1.00	33,850	846	40,620	1,016	0	0	0	0	0	0	0	0
3	4.5	1.04	35,204	880	42,245	1,056	0	0	0	0	0	0	0	0
	5	1.08	36,558	914	43,870	1,097	0	0	0	0	0	0	0	0
4	6	1.16	39,266	982	47,119	1,178	0	0	0	0	0	0	0	0
	7	1.24	41,974	1,049	50,369	1,259	0	0	0	0	0	0	0	0
5	7.5	1.28	43,328	1,083	51,994	1,300	0	0	0	0	0	0	0	0
	8	1.32	44,682	1,117	53,618	1,340	0	0	0	0	0	0	0	0

1.12

% of funding	Required Loans / Source of Funds / Lender Name	Principal	Debt / Unit	Payment Type	Interest Rate	Perm Loan Closing Date	1st Pay Date	Amort Yrs	Term Yrs	Recourse Y/N)	Sponsor/Related Party	Is lender related to investor	Source	Conversion Requirements
16.49%	First Mortgage	9,600,000	37,647	Amortizing	6.25%	6/1/18	7/1/17	35	35	N	N	N	Private Lender	
0.00%			0											
0.00%			0											
0.00%			0											
0.00%			0											
		9,600,000	**37,647**											
	Contingent Loans / Lender Name													
25.69%	County General Obligation Bonds	14,961,569	58,673	Amortizing	2.37%	1/1/17	2/1/17	35	35	N	N		County Loan Sources	
2.59%	PHCD Documentary Surtax Fund	1,510,324	5,923	Amortizing	2.37%	1/1/17	2/1/17	35	35	N	N		County Loan Sources	
3.46%	PHCD CFFP	2,013,766	7,897	Amortizing	2.37%	1/1/17	2/1/17	35	35	N	N		County Loan Sources	
3.40%	Other Public and Private Funds	1,979,135	7,761	Amortizing	2.37%	1/1/17	2/1/17	35	35	N	N		Other	
0.00%			0											
0.00%			0											
0.00%			0											
0.00%			0											
	Subtotal Contingent Loans	**20,464,794**	**80,254**											

	Grants		Comments	Fed Grant ? (Y/N)
0.00%				
0.00%				
	Subtotal Grants	**0**		

	Other Sources		Comments		
0.00%	State Tax Equity Provider	0			
0.00%	Cash Flow from Operations	0	Percentage of cash flow from operations to fund deal	No of Yrs	0
0.00%					
0.00%					
0.00%					
0.00%					
0.00%	GP Capital	100			
0.00%	Developer Fee via Cash Flow	0	#N/A Year DDF Paid Off		
48.37%	NEF Equity	28,168,183	DDF paid on RA page		
	Subtotal Other Sources	**28,168,283**			
100.00%	**Total Sources**	**58,233,077**			

Construction Financing

Construction Lender	Principal	Interest Rate	Conversion Date	Maturity Date	Comments	Bond Financing (Y/N)
First Mortgage	15,580,158	6.25%	6/1/18	6/1/18		

Development Costs

Uses of Funds		Total	Per Sq Ft	Per Unit	Depreciable Basis	NC/Rehab Eligible Basis	Acquisition Eligible Basis	Commercial Costs	Non-Depreciable	Amortized	Yrs	Expensed	Historic Basis	Bond Basis	Check	Comments
Land	0%		0	0	0	X	0	0	0	0		0	X	0	0	
Building	0		0	0	0	X	0	0	0	0	0	0	X	0	0	
Acquisition Legal Costs			0	0	0	X	0	0	0	0		0	X	0	0	
Other acquisition costs - holding costs			0	0	0	X	0	0	0	0		0	X	0	0	
Other acquisition costs			0	0	0	X	0	0	0	0		0	X	0	0	
Off-Site Improvements		2,560,000	9	10,039	0	X	0	0	2,560,000	0		0	X	0	0	
Site Work - Bldg Life Depr (Utility & Sewer Lines)			0	0	0	0	0	0	0	0		0	X	0	0	
Site Work - Non Depr (Grading, Demolition, Land Clearing)		1,238,016	4	4,855	0	0	0	0	1,238,016	0		0	X	0	0	
Site Work - 15 Year Depr (Landscaping, fine grading, sidewalks)			0	0	0	0	0	0	0	0		0	X	0	0	
Basic Construction Retention %		32,181,337	113	126,201	32,181,337	32,181,337	0	0	0	0		0	0	32,181,337	0	
Personal Property			0	0	0	0	0	0	0	0		0		0	0	
Gen. Req., Builder's OH & Profit	13.97%	4,667,316	16	18,303	4,667,316	4,667,316	0	0	0	0		0	0	4,667,316	0	
Other Construction Hard Costs - Solar			0	0	0	0	0	0	0	0		0	0	0	0	
Other Construction Hard Costs			0	0	0	0	0	0	0	0		0	0	0	0	
Other Construction Hard Costs			0	0	0	0	0	0	0	0		0	0	0	0	
CONSTRUCTION CONTINGENCY	4.43%	1,798,968	6	7,055	1,798,968	1,798,968	0	0	0	0		0	0	1,798,968	0	
Payment and Performance Bond		359,794	1	1,411	359,794	359,794	0	0	0	0		0	0	359,794	0	
Architect/Design		950,000	3	3,725	950,000	950,000	0	0	0	0		0	0	950,000	0	
Construction Management/Architect Supervision		260,000	1	1,020	260,000	260,000	0	0	0	0		0	0	260,000	0	
Construction Permits and Fees			0	0	0	0	0	0	0	0		0	0	0	0	
Lender or NEF Inspection fee		16,000	0	63	16,000	16,000	0	0	0	0		0	0	16,000	0	
Engineering		520,000	2	2,039	520,000	520,000	0	0	0	0		0	0	520,000	0	
Environmental Reporting and Abatement		25,000	0	98	25,000	25,000	0	0	0	0		0	0	25,000	0	
Geotechnical Study/Soil Borings		70,000	0	275	70,000	70,000	0	0	0	0		0	0	70,000	0	
Other Construction Soft Costs		75,000	0	294	75,000	75,000	0	0	0	0		0	0	75,000	0	
Other Construction Soft Costs			0	0	0	0	0	0	0	0		0	0	0	0	
Construction Loan Origination Fee		220,137	1	863	220,137	220,137	0	0	0	0	20	0	0	220,137	0	
CONSTRUCTION LOAN INTEREST IN BASIS	#N/A	280,320	1	1,099	280,320	280,320	0	0	0	0		0	0	280,320	0	
CONSTRUCTION LOAN INTEREST EXPENSED		936,880	3	3,674	0	0	0	0	0	0		936,880	0	0	0	
Construction Period RE Taxes		60,000	0	235	60,000	60,000	0	0	0	0		0	0	60,000	0	
Construction Period Insurance		900,000	3	3,529	900,000	900,000	0	0	0	0		0	0	900,000	0	
Other Misc Construction Related:			0	0	0	0	0	0	0	0		0	0	0	0	
Appraisal		13,000	0	51	13,000	13,000	0	0	0	0		0	0	13,000	0	
Market Study		12,000	0	47	12,000	12,000	0	0	0	0		0	0	12,000	0	
Survey		30,000	0	118	30,000	30,000	0	0	0	0		0	0	30,000	0	
Predevelopment Loan Interest and Fees			0	0	0	0	0	0	0	0	15	0	0	0	0	
Consulting Fees			0	0	0	0	0	0	0	0	15	0	0	0	0	
"Project" Bridge Loan Interest in Basis			0	0	0	0	0	0	0	0		0	0	0	0	
Loan Origination Fee - Permanent			0	0	0	0	0	0	0	0	35	0	0	0	0	
Title & Recording		200,000	1	784	180,000	180,000	0	0	20,000	0	10	0	0	180,000	0	
Legal - Syndication/Organization		0	0	0	0	0		0	0	0	15	0	0	0	0	
Legal - Bond/Perm Loan			0	0	0	0	0	0	0	0	35	0	0	0	0	
Legal - Construction		255,000	1	1,000	255,000	255,000	0	0	0	0		0	0	255,000	0	
Due Diligence - NEF		52,000	0	204	0	0	0	0	52,000	0		0	0	0	0	
Tax Credit Allocation Fee		204,880	1	803	0	0	0	0	0	204,880	10	0	0	0	0	
Tax Credit Compliance Fees		129,581	0	508	0	0	0	0	0	129,581	10	0	0	0	0	
Lease-up and Marketing Costs		177,500	1	696	0	0	0	0	0	177,500	1	0	0	0	0	
Accounting/Post Const. Audit		35,000	0	137	0	0	0	0	0	0		35,000	0	0	0	
Soft Cost Contingency		339,822	1	1,333	339,822	339,822	0	0	0	0		0	0	339,822	0	
Other Soft Costs		21,933	0	86	21,933	21,933	0	0	0	0	2	0	0	21,933	0	
Other Soft Costs		706,629	2	2,771	706,629	706,629	0	0	0	0		0	0	706,629	0	
Other Soft Costs		250,000	1	980	250,000	250,000	0	0	0	0		0	0	250,000	0	
Developer Fee - Construction	100%	7,478,867	26	29,329	7,478,867	7,478,867	0	0	0	0		0	0	7,478,867	0	
Developer Fee - Acquisition	0%		0	0	0		0	0	0	0		0	0	0	0	
Developer Fee - Other			0	0	0	0	0	0	0	0		0	0	0	0	
Initial Operating Reserve	4.06	710,000	2	2,784	0	0	0	0	710,000	0		0	X	0	0	
Capitalized Replacement Reserve	0		0	0	0	0	0	0	0	0		0	X	0	0	
Capitalized ACC Reserve			0	0	0	0	0	0	0	0		0	X	0	0	
Capitalized Rev Deficit Reserve	1	185,000	1	725	0	0	0	0	185,000	0		0	X	0	0	
Capitalized Ins & Tax Escrow		300,000	1	1,176	0	0	0	0	300,000	0		0	X	0	0	
Capitalized Lease-Up Reserve			0	0	0	0	0	0	0	0		0	X	0	0	
Other Reserves			0	0	0	0	0	0	0	0		0	X	0	0	
Other Reserves			0	0	0	0	0	0	0	0		0	X	0	0	
Other Reserves				0	0	0	0	0	0	0		0	X	0	0	
Accrued Contingent Loan Interest		436,910			0	0	0	0	0	0		0	0	0	436,910	
Total Uses		58,219,980	204	228,314	51,671,123	51,671,123	0	0	5,065,016	511,961		971,880	0	51,671,123	0	

Sources/Uses Surplus (Gap)	13,097

Lease-Up Schedule / Credit Delivery

Number of Residential Units	255	First Building Placed in Service	12/1/17	Acquisition Credits Allocated/yr	0
Number of Tax Credit Units	255	Last Building Placed in Service	12/1/17	LIHTCs Allocated @ 100%/yr	0
Number of Market Units	0	Construction Contract Completion Date		LIHTCs Allocated @ 130%/yr	2,561,000
Commercial Square Footage	0			Cal State Credits Allocated @ 100%	0
Square Footage of Building	284,950			Cal State Credits Allocated @ 130%	0
Start of Construction	1/1/17			State Credits Allocated	0
Completion/CofO/Placed in Service	12/1/17			Historic Credits Allocated	0
Start of Leasing/Move-in Date	12/1/17	Absorption (avg units/month) per market study	50	State Historic Credits Allocated	0
100% Lease-Up/Qualified Occupancy	4/1/18	Absorption (avg units/month) per model	51	Solar Credits	0
Start of QO Tax Credit Units PIS	12/1/2017				
Construction Period	11				

Year	Tax Credit Units Leased (Income)	Cumulative TC Units Leased	Tax Credit Units Leased (Credits)	Non TC Units Leased	Cumulative Non TC Units Leased	Commercial Sq Ft Leased	Tax Credit Rental Income	Commercial Income	Non Tax Credit Rental Income	Total Rental Income	Rehab Tax Credits	Acq Tax Credits	Total Tax Credits
Jan-17		0			0		0	0	0	0	0	0	0
Feb-17		0			0		0	0	0	0	0	0	0
Mar-17		0			0		0	0	0	0	0	0	0
Apr-17		0			0		0	0	0	0	0	0	0
May-17		0			0		0	0	0	0	0	0	0
Jun-17		0			0		0	0	0	0	0	0	0
Jul-17		0			0		0	0	0	0	0	0	0
Aug-17		0			0		0	0	0	0	0	0	0
Sep-17		0			0		0	0	0	0	0	0	0
Oct-17		0			0		0	0	0	0	0	0	0
Nov-17		0			0		0	0	0	0	0	0	0
Dec-17	51	51	51		0		38,679	0	0	38,679	42,683	0	42,683
TOTAL	**51**	**51**	**51**	**0**	**0**		**38,679**	**0**	**0**	**38,679**	**42,683**	**0**	**42,683**

Year	Tax Credit Units Leased (Income)	Cumulative Tax Credit Units Leased	Tax Credit Units Leased (Credits)	Non Tax Credit Units Leased	Cumulative Non Tax Credit Units	Commercial Sq FT Leased	Tax Credit Rental Income	Commercial Income	Non Tax Credit Rental Income	Total Rental Income	Rehab Tax Credits	Acq Tax Credits	Total Tax Credits
Jan-18	51	102	51		0		77,358	0	0	77,358	512,200	0	512,200
Feb-18	51	153	51		0		116,036	0	0	116,036	469,517	0	469,517
Mar-18	51	204	51		0		154,715	0	0	154,715	426,833	0	426,833
Apr-18	51	255	51		0		193,394	0	0	193,394	384,150	0	384,150
May-18		255			0		193,394	0	0	193,394	0	0	0
Jun-18		255			0		193,394	0	0	193,394	0	0	0
Jul-18		255			0		193,394	0	0	193,394	0	0	0
Aug-18		255			0		193,394	0	0	193,394	0	0	0
Sep-18		255			0		193,394	0	0	193,394	0	0	0
Oct-18		255			0		193,394	0	0	193,394	0	0	0
Nov-18		255			0		193,394	0	0	193,394	0	0	0
Dec-18		255			0		193,394	0	0	193,394	0	0	0
Credits from QO Units PIS in 2017											**512,200**	**0**	**512,200**
TOTAL	**204**	**255**	**204**	**0**	**0**		**2,088,655**	**0**	**0**	**2,088,655**	**2,304,900**	**0**	**2,304,900**

Lease-Up Schedule / Credit Delivery

Year	Tax Credit Units Leased (Income)	Cumulative Tax Credit Units Leased	Tax Credit Units Leased (Credits)	Non Tax Credit Units Leased	Cumulative Non Tax Credit Units	Commercial Sq FT Leased	Tax Credit Rental Income	Commercial Income	Non Tax Credit Rental Income	Total Rental Income	Rehab Tax Credits	Acq Tax Credits	Total Tax Credits
Jan-19		255			0		193,394	0	0	193,394	0	0	0
Feb-19		255			0		193,394	0	0	193,394	0	0	0
Mar-19		255			0		193,394	0	0	193,394	0	0	0
Apr-19		255			0		193,394	0	0	193,394	0	0	0
May-19		255			0		193,394	0	0	193,394	0	0	0
Jun-19		255			0		193,394	0	0	193,394	0	0	0
Jul-19		255			0		193,394	0	0	193,394	0	0	0
Aug-19		255			0		193,394	0	0	193,394	0	0	0
Sep-19		255			0		193,394	0	0	193,394	0	0	0
Oct-19		255			0		193,394	0	0	193,394	0	0	0
Nov-19		255			0		193,394	0	0	193,394	0	0	0
Dec-19		255			0		193,394	0	0	193,394	0	0	0
Credits from QO Units PIS in 2017											**512,200**	**0**	**512,200**
Credits from QO Units PIS in 2018											**2,048,800**	**0**	**2,048,800**
TOTAL	**0**	**255**	**0**	**0**	**0**		**2,320,728**	**0**	**0**	**2,320,728**	**2,561,000**	**0**	**2,561,000**
		units agree	units agree		units agree	sq ft agrees							

	Credits	Price/Credit	Equity
Federal LIHTC Credits	25,607,439	1.100	28,168,183
Federal Historic Tax Credits	0		0
State LIHTC Credits Purchased by NEF	0		0
State Historic Credits Purchased by NEF	0		0
Solar Credits	0		0
Total Limited Partner Equity			**28,168,183**

State LIHTC Credits Purchased by a 3rd Party

3rd Party Buyer

State Historic Credits Purchased by a 3rd Party

3rd Party Buyer

Total	**28,168,183**

Equity Installments

Payment	Project Milestone	Date	Qtr Paid	Development Costs Percent	Project Cost	Developer Fee Percent	Developer Fee	Total Reserves Payment	NEF Reserves	Total Equity Paid	Total Equity Percent	3rd Party Equity	NEF and 3rd Party EQUITY
1	NEF Closing/Construction Start	1/1/17	3/31/17	4.86%	947,101	25.00%	1,869,717		0	2,816,818	10.00%	0	2,816,818
2	25% Construction Complete	4/1/17	6/30/17	28.90%	5,633,637		0		0	5,633,637	20.00%	0	5,633,637
3	50% Construction Complete	8/1/17	9/30/17	28.90%	5,633,637		0		0	5,633,637	20.00%	0	5,633,637
4	75% Construction Complete	10/1/17	12/31/17	28.90%	5,633,637		0		0	5,633,637	20.00%	0	5,633,637
5	100% Construction Complete/ Placed in Service/ CO	12/1/17	12/31/17	8.45%	1,646,304	53.31%	3,987,333		0	5,633,637	20.00%	0	5,633,637
6	Stabilization / Conversion / Final Cost Cert / 8609	6/1/18	6/30/18		0	21.69%	1,621,818	1,195,000	1,195,000	2,816,818	10.00%	0	2,816,818
7	Tax Return				0		0		0	0	0.00%	0	0
8					0		0		0	0	0.00%	0	0
9					0		0		0	0	0.00%	0	0
10					0		0		0	0	0.00%	0	0
TOTAL				100.00%	19,494,316	100.000%	7,478,867	1,195,000	1,195,000	28,168,183	100.00%	0	28,168,183
					19,494,316					Equity Agrees		Equity Agrees	

Developer Fee	
Maximum Deferred Fee Percentage	50.00%
Developer Fee	7,478,867
From Cash Flow	0
From Equity	7,478,867
Percentage of Fee Deferred	0.00%

Operating Expenses

	Units 255	Annual Expense	Per Unit	Escalator	Comments	calculated property mgmt fee	alternate property mgmt fee calculation
General & Administrative	Property Management Fee	135,964	533	3.00%		6.37%	
	Misc. Prop. Mgmt. Fees		0	3.00%			
	Accounting/Auditing		0	3.00%			135,964
	Legal		0	3.00%			
	Office Supplies & Expense		0	3.00%			
	Telephone Answering Service		0	3.00%			
	Other - LIHTC Compliance Monitoring		0	3.00%			
	Other - Misc. Admin.		0	3.00%			
		135,964	533				
Payroll & Related	Administrative Payroll		0	3.00%			
	Maintenance Payroll		0	3.00%			
	Repair Payroll		0	3.00%			
	Payroll Taxes		0	3.00%			
	Fringe Benefits		0	3.00%			
	Other		0	3.00%			
		0	0				
						Owner Paid	Tenant Paid
Utilities	Electric (Common Area)		0	3.00%			
	Gas/Fuel Oil/Coal (Common Area)		0	3.00%			
	Water & Sewer		0	3.00%			
	Electric (for Units)		0	3.00%			
	Gas/Fuel Oil/Coal (for Units)		0	3.00%			
	Other		0	3.00%			
		0	0				
Maintenance & Repair	Cleaning (Janitorial)		0	3.00%			
	Elevator Maintenance		0	3.00%			
	Exterminating		0	3.00%			
	Fire Alarm Inspection		0	3.00%			
	Grounds Maintenance	1,126,400	4,417	3.00%			
	Grounds Maintenance Contract		0	3.00%			
	Painting & Decorating/Make-ready		0	3.00%			
	Repairs		0	3.00%			
	Repairs Contract		0	3.00%			
	Security		0	3.00%			
	Supplies		0	3.00%			
	Trash Removal/Snow Removal		0	3.00%			
	Vehicle/Equipment Maintenance		0	3.00%			
	Other - Misc Ops and Maint Expenses		0	3.00%			
	Reserves		0	3.00%			
		1,126,400	4,417				
Market & Leasing	Advertising		0	3.00%			
	Credit Investigations		0	3.00%			
	Leasing Fees		0	3.00%			
	Other		0	3.00%			
		0	0				
Taxes & Insurance	Insurance - Liability		0	3.00%			
	Other Taxes, Licenses & Fees		0	3.00%			
	Real Estate Taxes	81,920	321	3.00%			
	Property/Liability (Hazard)		0	3.00%			
	Other		0	3.00%			
		81,920	321				

Total Annual Operating Budget 1,344,284

Annual Operating Budget per Unit (PUPA) **5,272**

Is the project providing a washer/dryer in unit(s) Y/N

Which units are provided w/washer & dryer

Cash Flow

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	Sale 2033	0	0	TOTAL
Project Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	
% of Year in Operation	1.67%	90.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	0.00%	0.00%	
LIHTC and Subsidized Vacancy Override																				
INCOME																				
Gross Rent Paid - LIHTC Units 2.00%	15,362	829,570	958,982	978,162	997,725	1,017,680	1,038,033	1,058,794	1,079,970	1,101,569	1,123,601	1,146,073	1,168,994	1,192,374	1,216,222	1,240,546	1,265,357	0	0	17,429,015
Gross Rent Paid - Sub Units Increase 2.00%	23,316	1,259,086	1,455,503	1,484,613	1,514,305	1,544,591	1,575,483	1,606,993	1,639,133	1,671,915	1,705,354	1,739,461	1,774,250	1,809,735	1,845,930	1,725,944	0	0	0	24,375,612
Gross Rent Paid - After Contract 2.00%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	156,904	1,920,505	0	0	2,077,409
Market Rent	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Gross Residential Income	**38,679**	**2,088,655**	**2,414,485**	**2,462,775**	**2,512,031**	**2,562,271**	**2,613,517**	**2,665,787**	**2,719,103**	**2,773,485**	**2,828,954**	**2,885,534**	**2,943,244**	**3,002,109**	**3,062,151**	**3,123,394**	**3,185,862**	**0**	**0**	43,882,037
LIHTC Vacancy @ 7.0%	(1,075)	(58,070)	(67,129)	(68,471)	(69,841)	(71,238)	(72,662)	(74,116)	(75,598)	(77,110)	(78,652)	(80,225)	(81,830)	(83,466)	(85,136)	(86,838)	(88,575)	0	0	(1,220,031)
Subsidized Residential Vacancy @ 7.0%	(1,632)	(88,136)	(101,885)	(103,923)	(106,001)	(108,121)	(110,284)	(112,490)	(114,739)	(117,034)	(119,375)	(121,762)	(124,197)	(126,681)	(129,215)	(131,799)	(134,435)	0	0	(1,851,711)
Market Residential Vacancy @ 7.0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Income / yr @ 2% increase / yr	298	16,414	18,602	18,974	19,354	19,741	20,136	20,538	20,949	21,368	21,796	22,232	22,676	23,130	23,592	24,064	24,545	0	0	338,410
Other Income Vacancy @ 7.0%	(21)	(1,149)	(1,302)	(1,328)	(1,355)	(1,382)	(1,410)	(1,438)	(1,466)	(1,496)	(1,526)	(1,556)	(1,587)	(1,619)	(1,651)	(1,684)	(1,718)	0	0	(23,689)
Commercial @ 2% increase / yr	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Commercial Vacancy @ 7.0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Income																				0
Total Effective Gross Income from Project	**36,248**	**1,957,714**	**2,262,772**	**2,308,027**	**2,354,188**	**2,401,271**	**2,449,297**	**2,498,283**	**2,548,248**	**2,599,213**	**2,651,198**	**2,704,222**	**2,758,306**	**2,813,472**	**2,869,742**	**2,927,136**	**2,985,679**	**0**	**0**	41,125,016
EXPENSES																				
GENERAL & ADMINISTRATIVE	2,266	126,039	144,244	148,572	153,029	157,620	162,348	167,219	172,235	177,402	182,724	188,206	193,852	199,668	205,658	211,827	218,182	0	0	2,811,090
PAYROLL & RELATED	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
UTILITIES	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
MAINTENANCE & REPAIR	18,773	1,044,173	1,194,998	1,230,848	1,267,773	1,305,806	1,344,981	1,385,330	1,426,890	1,469,697	1,513,787	1,559,201	1,605,977	1,654,156	1,703,781	1,754,894	1,807,541	0	0	23,288,607
MARKETING & LEASING	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TAXES & INSURANCE	1,365	75,940	86,909	89,516	92,202	94,968	97,817	100,751	103,774	106,887	110,094	113,396	116,798	120,302	123,911	127,629	131,458	0	0	1,693,717
OTHER EXPENSES																				0
Total Expenses	**22,405**	**1,246,151**	**1,426,151**	**1,468,935**	**1,513,003**	**1,558,394**	**1,605,145**	**1,653,300**	**1,702,899**	**1,753,986**	**1,806,605**	**1,860,803**	**1,916,628**	**1,974,126**	**2,033,350**	**2,094,351**	**2,157,181**	**0**	**0**	27,793,414
Replacement Reserve (Funding Req.) @$300	1,275	70,916	81,159	83,594	86,101	88,684	91,345	94,085	96,908	99,815	102,810	105,894	109,071	112,343	115,713	119,185	122,760	0	0	1,581,657
Total Expenses including Replacement Reserve	**23,680**	**1,317,067**	**1,507,310**	**1,552,529**	**1,599,105**	**1,647,078**	**1,696,490**	**1,747,385**	**1,799,807**	**1,853,801**	**1,909,415**	**1,966,697**	**2,025,698**	**2,086,469**	**2,149,063**	**2,213,535**	**2,279,941**	**0**	**0**	29,375,071
NET OPERATING INCOME	**12,569**	**640,647**	**755,462**	**755,498**	**755,083**	**754,193**	**752,806**	**750,898**	**748,442**	**745,412**	**741,783**	**737,524**	**732,608**	**727,003**	**720,678**	**713,601**	**705,738**	**0**	**0**	11,749,945
ECR	1.53	1.49	1.50	1.49	1.47	1.46	1.44	1.43	1.42	1.40	1.39	1.38	1.36	1.35	1.34	1.32	1.31	0.00	0.00	
Req'd ECR 1.05 Cash needed for ECR	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
DEBT SERVICE (MUST-PAY))																				
First Mortgage Loan																				
Principal Pmt. - First Mortgage	38,656	81,023	86,235	91,781	97,685	103,968	110,655	117,773	125,348	133,411	141,992	151,126	160,846	171,192	182,203	193,923	206,397	0	0	2,194,216
Interest Pmt. - First Mortgage	0	595,289	590,078	584,531	578,627	572,344	565,657	558,539	550,964	542,901	534,320	525,187	515,466	505,120	494,109	482,389	469,915	0	0	8,665,434
Loan Servicing and/or MIP Fees	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total Debt Service - First Mortgage	38,656	676,312	676,312	676,312	676,312	676,312	676,312	676,312	676,312	676,312	676,312	676,312	676,312	676,312	676,312	676,312	676,312	0	0	10,859,650
Cash-flow after debt service - 1st	**(26,088)**	**(35,665)**	**79,150**	**79,186**	**78,771**	**77,881**	**76,494**	**74,585**	**72,130**	**69,100**	**65,471**	**61,212**	**56,296**	**50,691**	**44,366**	**37,289**	**29,426**	**0**	**0**	**890,295**
Debt coverage ratio after 1st mortgage	0.33	0.95	1.12	1.12	1.12	1.12	1.11	1.11	1.11	1.10	1.10	1.09	1.08	1.07	1.07	1.06	1.04	0.00	0.00	
Second Mortgage Loan																				
Principal Pmt. -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest Pmt. -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Loan Servicing and/or MIP Fees	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total Debt Service -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash-flow after debt service - 2nd	**(26,088)**	**(35,665)**	**79,150**	**79,186**	**78,771**	**77,881**	**76,494**	**74,585**	**72,130**	**69,100**	**65,471**	**61,212**	**56,296**	**50,691**	**44,366**	**37,289**	**29,426**	**0**	**0**	**890,295**
Debt coverage ratio (TIF Note only)	0.33	0.95	1.12	1.12	1.12	1.12	1.11	1.11	1.11	1.10	1.10	1.09	1.08	1.07	1.07	1.06	1.04	0.00	0.00	
Third Mortgage Loan																				
Principal Pmt. -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest Pmt. -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Loan Servicing and/or MIP Fees	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total Debt Service -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash-flow after debt service - 3rd	**(26,088)**	**(35,665)**	**79,150**	**79,186**	**78,771**	**77,881**	**76,494**	**74,585**	**72,130**	**69,100**	**65,471**	**61,212**	**56,296**	**50,691**	**44,366**	**37,289**	**29,426**	**0**	**0**	**890,295**
Debt coverage ratio after 3rd mortgage	0.33	0.95	1.12	1.12	1.12	1.12	1.11	1.11	1.11	1.10	1.10	1.09	1.08	1.07	1.07	1.06	1.04	0.00	0.00	
Fourth Mortgage Loan																				
Principal Pmt. -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest Pmt. -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Loan Servicing and/or MIP Fees	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total Debt Service -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash-flow after debt service - 4th	**(26,088)**	**(35,665)**	**79,150**	**79,186**	**78,771**	**77,881**	**76,494**	**74,585**	**72,130**	**69,100**	**65,471**	**61,212**	**56,296**	**50,691**	**44,366**	**37,289**	**29,426**	**0**	**0**	**890,295**
Debt coverage ratio after 4th mortgage	0.33	0.95	1.12	1.12	1.12	1.12	1.11	1.11	1.11	1.10	1.10	1.09	1.08	1.07	1.07	1.06	1.04	0.00	0.00	

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	0	0	TOTAL
Project Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	
Fifth Mortgage Loan																				
Principal Pmt. -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest Pmt. -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Loan Servicing and/or MIP Fees	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total Debt Service -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash-flow after debt service - 5th	**(26,088)**	**(35,665)**	**79,150**	**79,186**	**78,771**	**77,881**	**76,494**	**74,585**	**72,130**	**69,100**	**65,471**	**61,212**	**56,296**	**50,691**	**44,366**	**37,289**	**29,426**	**0**	**0**	**890,295**
Debt coverage ratio after 5th mortgage	0.33	0.95	1.12	1.12	1.12	1.12	1.11	1.11	1.11	1.10	1.10	1.09	1.08	1.07	1.07	1.06	1.04	0.00	0.00	
Req'd DSC	Cash needed for DSC																			0
																				0
																				0
Cash Flow From Operations for Construction Costs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Release of Operating Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash Flow After Required Payments & Funding of Operating Reserve	**(26,088)**	**(35,665)**	**79,150**	**79,186**	**78,771**	**77,881**	**76,494**	**74,585**	**72,130**	**69,100**	**65,471**	**61,212**	**56,296**	**50,691**	**44,366**	**37,289**	**29,426**	**0**	**0**	**890,295**
	(26,088)	(35,665)																		
RESERVE WITHDRAWALS																				
1 Initial Operating Reserve	0	35,665	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	35,665
2 Capitalized ACC Reserve	#N/A	#N/A	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	#N/A
3 Capitalized Rev Deficit Reserve	#N/A	#N/A	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	#N/A
4 Capitalized Lease-Up Reserve	#N/A	#N/A	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	#N/A
5 Other Reserves	#N/A	#N/A	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	#N/A
PAYMENTS CONTINGENT ON AVAILABLE CASH-FLOW																				
1 Annual NEFAsset Management Fee	#N/A	#N/A	5,305	5,464	5,628	5,796	5,970	6,149	6,334	6,524	6,720	6,921	7,129	7,343	7,563	7,790	8,024	0	0	#N/A
2 Incentive Management Fee	#N/A	#N/A	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	#N/A
3 Deferred Developer Fee - Interest	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A
4 Deferred Developer Fee - Principal	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A
5 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
16 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
18 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
21 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
22 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
23 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
24 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
25 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
26 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
27 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Remaining Cash	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A

Excess Cash Allocation to Distributions																				
General Partner Share @ 0.01%	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A
Limited Partner Share @ 99.99%	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A

Project Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	
Reserve Balances	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	2035	
Initial Operating Reserve		0	710,000	724,200	738,684	753,458	768,527	705,508	647,656	594,548	545,795	501,040	459,955	422,238	387,615	355,830	326,652	299,867	269,880	
Contributions to Operating Reserve	0	710,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Interest on Reserve Account	0	0	14,200	14,484	14,774	15,069	15,371	14,110	12,953	11,891	10,916	10,021	9,199	8,445	7,752	7,117	6,533	0	0	172,834
Withdrawal from Operating Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Other Use (Expense / Capitalized)	0	0	0	0	0	0	78,390	71,962	66,061	60,644	55,671	51,106	46,915	43,068	39,537	36,295	33,319	29,987		
Balance before Release	0	710,000	724,200	738,684	753,458	768,527	705,508	647,656	594,548	545,795	501,040	459,955	422,238	387,615	355,830	326,652	299,867	269,880	269,880	
Release of Operating Reserve to cash flow																				
Ending Balance	0	710,000	724,200	738,684	753,458	768,527	705,508	647,656	594,548	545,795	501,040	459,955	422,238	387,615	355,830	326,652	299,867	269,880	269,880	
	2%																			
Capitalized Replacement Reserve		1,275	72,213	154,817	241,507	332,438	427,771	474,905	520,639	565,164	608,654	651,273	693,173	734,497	775,376	815,937	856,297	896,564	806,908	
Interest on Reserve Account	0	23	1,444	3,096	4,830	6,649	8,555	9,498	10,413	11,303	12,173	13,025	13,863	14,690	15,508	16,319	17,126	0	0	158,516
Withdrawal from Replacement Reserve																				
Contributions to Replacement Reserve	1,275	70,916	81,159	83,594	86,101	88,684	91,345	94,085	96,908	99,815	102,810	105,894	109,071	112,343	115,713	119,185	122,760	0	0	
Other Use (Expense / Capitalized)	0	0	0	0	0	0	52,767	57,849	62,796	67,628	72,364	77,019	81,611	86,153	90,660	95,144	99,618	89,656	0	
Balance before Release																				
Release to cash flow																				
Ending Balance	1,275	72,213	154,817	241,507	332,438	427,771	474,905	520,639	565,164	608,654	651,273	693,173	734,497	775,376	815,937	856,297	896,564	806,908	806,908	
Capitalized ACC Reserve		#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	
Contributions to Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Interest on Reserve Account	0	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A
Withdrawal from Reserve	#N/A	#N/A	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Other Use (Expense / Capitalized)																				
Balance before Release																				
Release of Reserve to cash flow																				
Ending Balance	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	
	2%																			
Capitalized Rev Deficit Reserve		#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	
Contributions to Reserve	0	185,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Interest on Reserve Account	0	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A
Withdrawal from Reserve	#N/A	#N/A	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Other Use (Expense / Capitalized)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Balance before Release																				
Release of Reserve to cash flow																				
Ending Balance	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	
	2%																			
Insurance & Tax Escrow (Funding Not Req.)		0	300,000	306,000	312,120	318,362	324,730	331,224	337,849	344,606	351,498	358,528	365,698	373,012	380,473	388,082	395,844	209,720	209,720	
Interest on Reserve Account	0	0	6,000	6,120	6,242	6,367	6,495	6,624	6,757	6,892	7,030	7,171	7,314	7,460	7,609	7,762	7,917	0	0	103,761
Withdrawal from Ins & Tax Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	194,041	0	0	
Contributions to Ins & Tax Reserve	0	300,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Other Use (Expense / Capitalized)																			0	
Balance before Release																				
Release of Reserve to cash flow																				
Ending Balance	0	300,000	306,000	312,120	318,362	324,730	331,224	337,849	344,606	351,498	358,528	365,698	373,012	380,473	388,082	395,844	209,720	209,720	209,720	
	2%																			
Capitalized Lease-Up Reserve		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Contributions to Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Interest on Reserve Account	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Withdrawal from Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Other Use (Expense / Capitalized)																				
Balance before Release	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Release of Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Ending Balance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	2%																			
Other Reserves		#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	
Contributions to Other Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Interest on Reserve Account	0	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A
Withdrawal from Other Reserve	#N/A	#N/A	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Other Use (Expense / Capitalized)																				
Balance before Release																				
Release of Operating Reserve to cash flow																				
Ending Balance	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	
	2%																			

Year Placed in Service 2018

Use of Reserves Analysis

Operating Reserve	Used in yrs multiple of	5	% of balance used	10%	% of use capitalized	0%
Replacement Reserve	Used in yrs multiple of	5	% of balance used	10%	% of use capitalized	90%
Revenue Deficit Reserve	Used in yrs multiple of	20	% of balance used	50%	% of use capitalized	
Insurance & Tax Escrow Reserve	Used in yrs multiple of	15	% of balance used	50%	% of use capitalized	

		2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Use of Operating Reserve		0	0	0	0	0	0	78,390	71,962	66,061	60,644	55,671	51,106	46,915	43,068	39,537	36,295	33,319	29,987
Use of Replacement Reserve		0	0	0	0	0	0	52,767	57,849	62,796	67,628	72,364	77,019	81,611	86,153	90,660	95,144	99,618	89,656
Use of Revenue Deficit Reserve		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Use of Insurance & Tax Escrow Reserve		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	194,041	0
Total Uses of Reserves		0	0	0	0	0	0	131,157	129,811	128,857	128,272	128,035	128,125	128,526	129,221	130,196	131,439	326,978	119,643
Total Currently Expensed		0	0	0	0	0	0	83,666	77,747	72,341	67,407	62,907	58,808	55,076	51,684	48,603	45,809	237,321	38,952
Total Currently Capitalized		0	0	0	0	0	0	47,490	52,064	56,516	60,865	65,127	69,317	73,450	77,538	81,594	85,630	89,656	80,691
Cumulative Capitalized		0	0	0	0	0	0	47,490	99,554	156,071	216,936	282,063	351,381	424,830	502,368	583,962	669,592	759,248	839,939
Depreciation Taken	27.5	0	0	0	0	0	0	1,727	3,620	5,675	7,889	10,257	12,777	15,448	18,268	21,235	24,349	27,609	0
Remaining Capitalized Reserve Basis		0	0	0	0	0	0	45,764	94,207	145,048	198,025	252,896	309,435	367,437	426,706	487,065	548,346	610,394	691,084
Total Deduction for Use of Reserves		0	0	0	0	0	0	85,393	81,367	78,016	75,295	73,164	71,585	70,525	69,952	69,838	70,158	264,930	38,952

	Federal LIHTC			
	Total	Acquisition	Construction	
			100%	130%
Eligible Basis	51,671,123	0	0	51,671,123
Percentage of Cost with 130% Basis Boost	100.00%			
Res Portion of Solar Credits	0		0	0
Res Portion of Historic Rehab Credit	0		0	0
Subtotal	51,671,123	0	0	51,671,123
Less: Tax Exempt Bonds	0	0	0	0
Federal and Other Grants Off Basis	0	0	0	0
Other		0	0	0
Eligible Basis	**51,671,123**	**0**	**0**	**51,671,123**
Adjustment "Hard-to-Develop Area" or Qualified Census Tract		0.00%	100.00%	130.00%
Percentage of Historic Related Costs				
Adjusted Eligible Basis	67,172,460	0	0	67,172,460
Applicable Fraction		100.00%	100.00%	100.00%
Qualified Basis	**67,172,460**	**0**	0	**67,172,460**
Qualified Basis per Application		0	0	
Rate		3.22%	7.52%	7.52%
Annual LIHTC Amount Calculated	5,051,369	0	0	5,051,369
Actual Allocation	2,561,000	0	0	2,561,000
Used in Forecast (lessor)	2,561,000	0	0	2,561,000
Total Credits	25,610,000			

	No. of Units	Fraction	Total Sq Ft	Fraction
Low Income Apts	255	100.00%	284,950	100.00%
Market Rate Apts	0	0.00%	0	0.00%
Manager Unit	1			
TOTAL	256	100.00%	284,950	100.00%
Applicable fraction (the lesser of units or sq ft)				100.00%

50% Test	
Bond Analysis 50% Test (If Applicable)	
Total Tax Exempt Bond Proceeds	N/A
Add'l Const Period Bond Proceeds	
Total Project Basis	51,671,123
Bond Proceeds/Aggregate Basis	N/A

Project Assumptions

NEF Projections_Liberty Rising Phase 3 9%.xlsm
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Project Description

Project Name	Liberty Rising Phase 3	
Limited Partnership Name	Liberty Rising Phase I, LLC	
Spreadsheet Purpose (Project Status)	Shelf	
Location		
Street Address	4751 NW 24th Court	
City	Miami	
State		FL
Zip Code	33142	
County	Miami-Dade	
Census Tract #		
Type	Urban	
Current Date	7/7/15	
Sponsor #1	Miami Redevelopment Partners, LLC	
Sponsor #1 - Tax Status	For Profit	
Sponsor #2		
Sponsor #2 - Tax Status		
Deal Source	NEF	
1 # of Residential Buildings	# Total Buildings	1
Total Number of Residential Units		205
Construction Type	New	
Target Population	Family	
Effective Tax Rate		35%
State Tax Rate (CA only)		
Rehab with Tenants in place?		N
4% or 9% credit deal?		9%
Tax exempt bond deal? (Y/N)		N
Use Building by Building Depreciation Schedule (Y/N)		
QCT / DDA (Indicate Which)	QCT	
130% Boost (enter %, 101% - 130%)		130%
Is 3rd party buying state credits ?		N
SMT #		
Date Deal Secured		
Building Type	Multifamily	

Timing Assumptions

NEF Admission to Partnership	1/1/16
NEF Initial Funding	1/1/16
Construction Start	1/1/16
Placed in Service	12/1/16
Permanent Loan Closing	6/1/17
Projected First Credit Year	2016
Sale of Project	12/31/32

Partnership Information

Is Developer Cash Basis? (Y/N)	N	
General Partner Tax Exempt (Y/N)	N	
Co-General Partner Tax Exempt (Y/N)	N	
Lower-Tier LP Profit/Loss & Credits Share	99.99%	
Lower-Tier GP Profit/Loss & Credit Share	0.01%	
Sale Proceeds Share - LP Portion	10.00%	
Sale Proceeds Share - GP Portion	90.00%	
Deferred Developer Fee Interest Rate		
Applicable Fed. Rate (AFR)	2.74%	Jul-15
Lower-Tier LP Cash Flow Distribution Percentage	99.99%	
Length of LURA	30	

Escalators

Annual Residential Rent Increase - LIHTC	2.00%
-Subsidized	2.00%
Annual Residential Rent Increase - Mkt	2.00%
Residential Vacancy Rate - LIHTC	7.00%
-Subsidized	7.00%
-Mkt	7.00%
Annual Commercial Rent Increase	2.00%
Commercial Vacancy Rate	7.00%
Alternate escalation table being used	
Other Income Growth Rate	2.00%
Annual Expense Increase	3.00%

Reserves and Fees

	Y/N	$ Amt or % of EGI	Accrue Fee/Funding (Y/N)	Interest Earnings Rate	Growth Rate	Estimated Reserve Amount per Unit	Target Reserve Amount
Annual Funding of Replacement Reserve	Y	61,500		2.00%	3.00%	$300	
Annual Funding of Operating Reserve				2.00%	3.00%		
Annual Funding of Rev Deficit Reserve				2.00%	3.00%		
Annual NEFAsset Management Fee	Y	20,500		2.00%	3.00%		
Annual Partnership Mgmt Fee to GP	Y	7,500		2.00%	3.00%		
Management Incentive Fee							
Annual Funding of Ins & Tax Escrow				2.00%	3.00%		
Annual Funding of Other Reserves				2.00%	3.00%		

Project Assumptions

NEF Projections_Liberty Rising Phase 3 9%.xlsm
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Tax Credit Information				
Acquisition Credit Rate	3.22%	Date	7/1/15	
Construction / Rehab Credit Rate	7.52%	Date	7/1/15	
Credit Rate Locked-In? (Y/N)	N	Date		
Annual Tax Credit frm Tax Credit Res	$2,561,000		Year of allocation	2015
Annual Tax Credit - 2nd year allocation			Elected set-aside	
Total Annual Tax Credit Allocation	$2,561,000		($1,348,979)	Unallocated
Total Annual Rehab Credit Allocated	$2,561,000			
Total Annual Acq Credit Allocated	$0			
Total LIHTC Basis+Land+Commercial	39,995,694			
10% Carryover Test Required (Y/N)	N			
Due Date of 10% Carryover				
Eligible for Solar Credits? (Y/N)	N			
Eligible for Acquisition Credit? (Y/N)	N			
Eligible for Cal State Tax Credit? (Y/N)	N			
Tax Credit Allocated				
Eligible for State LIHTC Credit? (Y/N)	N			
Tax Credit Allocated				
State LIHTC Credit - Number of Years				
Eligible for Historic Rehab Credit? (Y/N)	N			
Eligible for State Historic Tax Credit? (Y/N)	N		Number of Years	
State Historic Credit Percentage				

Other Annual Income	
Laundry	14,400
Vending	
Other Income	
TOTAL	14,400

Is 168 election required

Tax Exempt Bond Financing	
Bond Issuer	
Credit Enhancement Type	
Enhancement Provided by	
Bond Purchaser:	
Date of Bond Issuance	
Are These Draw Down Bonds	

Peredevelopment loan

NEF Regional Team:	
VP Originations	Tony Lyons
VP Supportive Housing	
Originations Manager	Sandra Seals
Originations Analyst	
VP Project Management	
Project Manager	
Constructions Risk Manager	
VP Asset Management	
Asset manager	

Project Characteristics Choose all that apply

# Bdrms	# Bath rooms	Description	# Units	Median Income Targeted	Description of Units	Developer Rent	NEF LIHTC Rent	HUD FMR	S8 Pymt Standard	Tenant Pd Utility	Market Units Rent	Average Market Rent	During Contract	After Contract	Subsidy Type	Term (yrs)	Stressed Term (yrs)	Monthly Comm Income	Total Monthly Income	Stressed Income Escalator	Sq Ft / Unit	Total Sq Ft	Max LIHTC Rent @ target AMI	% of Rent Below LIHTC Max	After Contract Rent % Below LIHTC Max	Rent As Max % of Income	% of AMI of After Contract Rents	% of Rent Below Avg Market Rent
1	1.0	LIHTC Subsidized	6	50%		519	519			66					Section 9	40			3,114	2.00%	650	3,900	635	8%		62.5%		#DIV/0!
1	1.0	LIHTC Subsidized	19	50%						66.00			932	932	ction 8 - PHA Project Based Vouch	15	5		17,708	2.00%	650	12,350	635	-57%	-57%	106.7%	107%	#DIV/0!
2	2.0	LIHTC Subsidized	60	50%		519	519			84.00					Section 9	40			31,140	2.00%	1,100	66,000	762	21%		53.7%		#DIV/0!
2	2.0	LIHTC Subsidized	37	50%						84.00			1,194	1,194	ction 8 - PHA Project Based Vouch	15	5		44,178	2.00%	1,100	40,700	762	-68%	-68%	113.8%	114%	#DIV/0!
3	2.0	LIHTC Subsidized	29	50%		519	519			105.00					Section 9	40			15,051	2.00%	1,250	36,250	880	29%		48.1%		#DIV/0!
3	2.0	LIHTC Subsidized	19	50%						105.00			1,648	1,648	ction 8 - PHA Project Based Vouch	15	5		31,312	2.00%	1,250	23,750	880	-99%	-99%	135.1%	135%	#DIV/0!
4	2.0	LIHTC Subsidized	23	50%		519	519			137.00					Section 9	40			11,937	2.00%	1,350	31,050	982	33%		45.3%		#DIV/0!
5	2.0	LIHTC Subsidized	11	50%						137.00					Section 9	40			0	2.00%	1,350	14,850	1,083	87%		8.6%		#DIV/0!
2	2.0	Manager	1	50%		519	519												519	2.00%	1,100	1,100				46.2%		#DIV/0!
																				2.00%								
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		Total Units	**205**													40	5											

Commercial Units	0
Residential Units	205
Manager Units	1

Percent Residential 100.00%

BE Occupancy 90.38%

http://www.huduser.org/portal/datasets/mtsp.html

HUD Income	
Median Income / Family of 4	49,900
As Of (Date)	3/6/15
Location	Miami Dade County
AMI source	HUD

Date AMI checked 7/6/15

Rent floor election year

	LIHTC	Market	Commercial	Subsidized	TOTAL	Garages	Day Care Bldg
Total Units	1	0	0	204	205		
Monthly Rent	61,761	0	0	93,198	154,959		
Annual Rent	741,132	0	0	1,118,376	1,859,508	0	0
Total RentableSq Ftg	0	0	0	228,850	228,850		

0	Total Commercial Sq Ft
	Is Commercial Space a Master Lease (Y/N)
0	Commercial Rent per Sq Ft
	Type of Lease NN or NNN)
	Is Commercial Space Eligible for Historic Credits

AMI Analysis		**% Change**
2006	55,900	
2007	45,200	-19.14%
2008	49,200	8.85%
2009	50,800	3.25%
2010	52,200	2.76%
2011	51,900	-0.57%
2012	52,600	1.35%
2013	49,000	-6.84%
2014	48,400	-1.22%
2015	49,900	3.10%
2016		0.00%
		-0.94%

Source: huduser.org

Utilities		Source	Date
Tenant Paid	Gas & Electric	PHCD	
Owner Paid	Trash and Water	PHCD	

4 person very low income 33,850

Max LIHTC Income and Rents

# BDRMS	Family Size	Adj Factor	50%		60%									
			Income	Rent	Income	Rent	Income	Rent	Income	Rent	Income	Rent	Income	Rent
0	1	0.70	23,695	592	28,434	711	0	0	0	0	0	0	0	0
1	1.5	0.75	25,388	635	30,465	762	0	0	0	0	0	0	0	0
	2	0.80	27,080	677	32,496	812	0	0	0	0	0	0	0	0
2	3	0.90	30,465	762	36,558	914	0	0	0	0	0	0	0	0
	4	1.00	33,850	846	40,620	1,016	0	0	0	0	0	0	0	0
3	4.5	1.04	35,204	880	42,245	1,056	0	0	0	0	0	0	0	0
	5	1.08	36,558	914	43,870	1,097	0	0	0	0	0	0	0	0
4	6	1.16	39,266	982	47,119	1,178	0	0	0	0	0	0	0	0
	7	1.24	41,974	1,049	50,369	1,259	0	0	0	0	0	0	0	0
5	7.5	1.28	43,328	1,083	51,994	1,300	0	0	0	0	0	0	0	0
	8	1.32	44,682	1,117	53,618	1,340	0	0	0	0	0	0	0	0

1.12

% of funding	Required Loans / Source of Funds / Lender Name	Principal	Debt / Unit	Payment Type	Interest Rate	Perm Loan Closing Date	1st Pay Date	Amort Yrs	Term Yrs	Recourse Y/N)	Sponsor/Related Party	Is lender related to investor	Source	Conversion Requirements
16.78%	First Mortgage	7,630,000	37,220	Amortizing	6.25%	6/1/17	7/1/17	35	35	N	N	N	Private Lender	
0.00%			0											
0.00%			0											
0.00%			0											
0.00%			0											
		7,630,000	**37,220**											
	Contingent Loans / Lender Name													
11.24%	County General Obligation Bonds	5,112,334	24,938	Amortizing	2.37%	1/1/16	2/1/16	35	35	N	N		County Loan Sources	
2.65%	PHCD Documentary Surtax Fund	1,203,540	5,871	Amortizing	2.37%	1/1/16	2/1/16	35	35	N	N		County Loan Sources	
3.53%	PHCD CFFP	1,604,720	7,828	Amortizing	2.37%	1/1/16	2/1/16	35	35	N	N		County Loan Sources	
3.85%	Other Public and Private Funds	1,750,000	8,537	Amortizing	2.37%	1/1/16	2/1/16	35	35	N	N		Other	
0.00%			0											
0.00%			0											
0.00%			0											
0.00%			0											
	Subtotal Contingent Loans	**9,670,594**	**47,174**											

	Grants		Comments	Fed Grant ? (Y/N)
0.00%				
0.00%				
	Subtotal Grants	**0**		

	Other Sources		Comments			
0.00%	State Tax Equity Provider	0				
0.00%	Cash Flow from Operations	0	Percentage of cash flow from operations to fund deal	0%	No of Yrs	2
0.00%						
0.00%						
0.00%						
0.00%						
0.00%	GP Capital					
0.00%	Developer Fee via Cash Flow	0	0 Year DDF Paid Off			
61.95%	NEF Equity	28,168,183	DDF paid on RA page			
	Subtotal Other Sources	**28,168,183**				
100.00%	**Total Sources**	**45,468,777**				

Construction Financing

Construction Lender	Principal	Interest Rate	Conversion Date	Maturity Date	Comments	Bond Financing (Y/N)
First Mortgage	14,538,731	6.25%	6/1/17	6/1/17		

Development Costs

Uses of Funds		Total	Per Sq Ft	Per Unit	Depreciable Basis	NC/Rehab Eligible	Acquisition Eligible	Commercial Costs	Non-Depreciable	Amortized	Yrs	Expensed	Historic Basis	Bond Basis	Check	Comments
Land	0%		0	0	0	X	0	0	0	0		0	X	0	0	
Building	0		0	0	0	X	0	0	0	0	0	0	X	0	0	
Acquisition Legal Costs			0	0	0	X	0	0	0	0		0	X	0	0	
Other acquisition costs - holding costs			0	0	0	X	0	0	0	0		0	X	0	0	
Other acquisition costs			0	0	0	X	0	0	0	0		0	X	0	0	
Off-Site Improvements		2,040,000	9	9,951	0	X	0	0	2,040,000	0		0	X	0	0	
Site Work - Bldg Life Depr (Utility & Sewer Lines)			0	0	0	0	0	0	0	0		0	X	0	0	
Site Work - Non Depr (Grading, Demolition, Land Clearing)		986,544	4	4,812	0	0	0	0	986,544	0		0	X	0	0	
Site Work - 15 Year Depr (Landscaping, fine grading, sidewalks)			0	0	0	0	0	0	0	0		0	X	0	0	
Basic Construction Retention %		24,537,855	107	119,697	24,537,855	24,537,855	0	0	0	0		0	0	24,537,855	0	
Personal Property			0	0	0	0	0	0	0	0		0		0	0	
Gen. Req., Builder's OH & Profit	14.04%	3,583,372	16	17,480	3,583,372	3,583,372	0	0	0	0		0	0	3,583,372	0	
Other Construction Hard Costs - Solar			0	0	0	0	0	0	0	0		0	0	0	0	
Other Construction Hard Costs			0	0	0	0	0	0	0	0		0	0	0	0	
Other Construction Hard Costs			0	0	0	0	0	0	0	0		0	0	0	0	
CONSTRUCTION CONTINGENCY	4.42%	1,378,220	6	6,723	1,378,220	1,378,220	0	0	0	0		0	0	1,378,220	0	
Payment and Performance Bond		275,644	1	1,345	275,644	275,644	0	0	0	0		0	0	275,644	0	
Architect/Design		730,000	3	3,561	730,000	730,000	0	0	0	0		0	0	730,000	0	
Construction Management/Architect Supervision		200,000	1	976	200,000	200,000	0	0	0	0		0	0	200,000	0	
Construction Permits and Fees			0	0	0	0	0	0	0	0		0	0	0	0	
Lender or NEF Inspection fee		16,000	0	78	16,000	16,000	0	0	0	0		0	0	16,000	0	
Engineering		400,000	2	1,951	400,000	400,000	0	0	0	0		0	0	400,000	0	
Environmental Reporting and Abatement		25,000	0	122	25,000	25,000	0	0	0	0		0	0	25,000	0	
Geotechnical Study/Soil Borings		70,000	0	341	70,000	70,000	0	0	0	0		0	0	70,000	0	
Other Construction Soft Costs		75,000	0	366	75,000	75,000	0	0	0	0		0	0	75,000	0	
Other Construction Soft Costs			0	0	0	0	0	0	0	0		0	0	0	0	
Construction Loan Origination Fee		277,804	1	1,355	277,804	277,804	0	0	0	0	20	0	0	277,804	0	
CONSTRUCTION LOAN INTEREST IN BASIS	631,094	323,847	1	1,580	323,847	323,847	0	0	0	0		0	0	323,847	0	
CONSTRUCTION LOAN INTEREST EXPENSED		811,992	4	3,961	0	0	0	0	0	0		811,992	0	0	0	
Construction Period RE Taxes		60,000	0	293	60,000	60,000	0	0	0	0		0	0	60,000	0	
Construction Period Insurance		720,000	3	3,512	720,000	720,000	0	0	0	0		0	0	720,000	0	
Other Misc Construction Related:			0	0	0	0	0	0	0	0		0	0	0	0	
Appraisal		13,000	0	63	13,000	13,000	0	0	0	0		0	0	13,000	0	
Market Study		12,000	0	59	12,000	12,000	0	0	0	0		0	0	12,000	0	
Survey		30,000	0	146	30,000	30,000	0	0	0	0		0	0	30,000	0	
Predevelopment Loan Interest and Fees			0	0	0	0	0	0	0	0	15	0	0	0	0	
Consulting Fees			0	0	0	0	0	0	0	0	15	0	0	0	0	
"Project" Bridge Loan Interest in Basis			0	0	0	0	0	0	0	0		0	0	0	0	
Loan Origination Fee - Permanent			0	0	0	0	0	0	0	0	35	0	0	0	0	
Title & Recording		180,000	1	878	162,000	162,000	0	0	18,000	0	10	0	0	162,000	0	
Legal - Syndication/Organization		0	0	0	0	0		0	0	0	15	0	0	0	0	
Legal - Bond/Perm Loan			0	0	0	0	0	0	0	0	35	0	0	0	0	
Legal - Construction		255,000	1	1,244	255,000	255,000	0	0	0	0		0	0	255,000	0	
Due Diligence - NEF		52,000	0	254	0	0	0	0	52,000	0		0	0	0	0	
Tax Credit Allocation Fee		204,880	1	999	0	0	0	0	0	204,880	10	0	0	0	0	
Tax Credit Compliance Fees		114,667	1	559	0	0	0	0	0	114,667	10	0	0	0	0	
Lease-up and Marketing Costs		152,000	1	741	0	0	0	0	0	152,000	1	0	0	0	0	
Accounting/Post Const. Audit		35,000	0	171	0	0	0	0	0	0		35,000	0	0	0	
Soft Cost Contingency		302,499	1	1,476	302,499	302,499	0	0	0	0		0	0	302,499	0	
Other Soft Costs		21,933	0	107	21,933	21,933	0	0	0	0	2	0	0	21,933	0	
Other Soft Costs		444,288	2	2,167	444,288	444,288	0	0	0	0		0	0	444,288	0	
Other Soft Costs		250,000	1	1,220	250,000	250,000	0	0	0	0		0	0	250,000	0	
Developer Fee - Construction	100%	5,832,232	25	28,450	5,832,232	5,832,232	0	0	0	0		0	0	5,832,232	0	
Developer Fee - Acquisition	0%		0	0	0		0	0	0	0		0	0	0	0	
Developer Fee - Other			0	0	0	0	0	0	0	0		0	0	0	0	
Initial Operating Reserve	1.32	185,000	1	902	0	0	0	0	185,000	0		0	X	0	0	
Capitalized Replacement Reserve	0		0	0	0	0	0	0	0	0		0	X	0	0	
Capitalized ACC Reserve			0	0	0	0	0	0	0	0		0	X	0	0	
Capitalized Rev Deficit Reserve	4	570,000	2	2,780	0	0	0	0	570,000	0		0	X	0	0	
Capitalized Ins & Tax Escrow		300,000	1	1,463	0	0	0	0	300,000	0		0	X	0	0	
Capitalized Lease-Up Reserve			0	0	0	0	0	0	0	0		0	X	0	0	
Other Reserves			0	0	0	0	0	0	0	0		0	X	0	0	
Other Reserves			0	0	0	0	0	0	0	0		0	X	0	0	
Other Reserves				0	0	0	0	0	0	0		0	X	0	0	
Accrued Contingent Loan Interest		187,718			0	0	0	0	0	0		0	0	0	187,718	
Total Uses		45,465,777	199	221,784	39,995,694	39,995,694	0	0	4,151,544	471,547		846,992	0	39,995,694	0	

Sources/Uses Surplus (Gap)	3,000

Lease-Up Schedule / Credit Delivery

Number of Residential Units	205	First Building Placed in Service	12/1/16	Acquisition Credits Allocated/yr	0
Number of Tax Credit Units	205	Last Building Placed in Service	12/1/16	LIHTCs Allocated @ 100%/yr	0
Number of Market Units	0	Construction Contract Completion Date		LIHTCs Allocated @ 130%/yr	2,561,000
Commercial Square Footage	0			Cal State Credits Allocated @ 100%	0
Square Footage of Building	228,850			Cal State Credits Allocated @ 130%	0
Start of Construction	1/1/16			State Credits Allocated	0
Completion/CofO/Placed in Service	12/1/16			Historic Credits Allocated	0
Start of Leasing/Move-in Date	12/1/16	Absorption (avg units/month) per market study	50	State Historic Credits Allocated	0
100% Lease-Up/Qualified Occupancy	4/1/17	Absorption (avg units/month) per model	41	Solar Credits	0
Start of QO Tax Credit Units PIS	12/1/2016				
Construction Period	11				

Year	Tax Credit Units Leased (Income)	Cumulative TC Units Leased	Tax Credit Units Leased (Credits)	Non TC Units Leased	Cumulative Non TC Units Leased	Commercial Sq Ft Leased	Tax Credit Rental Income	Commercial Income	Non Tax Credit Rental Income	Total Rental Income	Rehab Tax Credits	Acq Tax Credits	Total Tax Credits
Jan-16		0			0		0	0	0	0	0	0	0
Feb-16		0			0		0	0	0	0	0	0	0
Mar-16		0			0		0	0	0	0	0	0	0
Apr-16		0			0		0	0	0	0	0	0	0
May-16		0			0		0	0	0	0	0	0	0
Jun-16		0			0		0	0	0	0	0	0	0
Jul-16		0			0		0	0	0	0	0	0	0
Aug-16		0			0		0	0	0	0	0	0	0
Sep-16		0			0		0	0	0	0	0	0	0
Oct-16		0			0		0	0	0	0	0	0	0
Nov-16		0			0		0	0	0	0	0	0	0
Dec-16	41	41	41		0		30,992	0	0	30,992	42,683	0	42,683
TOTAL	**41**	**41**	**41**	**0**	**0**		**30,992**	**0**	**0**	**30,992**	**42,683**	**0**	**42,683**

Year	Tax Credit Units Leased (Income)	Cumulative Tax Credit Units Leased	Tax Credit Units Leased (Credits)	Non Tax Credit Units Leased	Cumulative Non Tax Credit Units	Commercial Sq FT Leased	Tax Credit Rental Income	Commercial Income	Non Tax Credit Rental Income	Total Rental Income	Rehab Tax Credits	Acq Tax Credits	Total Tax Credits
Jan-17	41	82	41		0		61,984	0	0	61,984	512,200	0	512,200
Feb-17	41	123	41		0		92,975	0	0	92,975	469,517	0	469,517
Mar-17	41	164	41		0		123,967	0	0	123,967	426,833	0	426,833
Apr-17	41	205	41		0		154,959	0	0	154,959	384,150	0	384,150
May-17		205			0		154,959	0	0	154,959	0	0	0
Jun-17		205			0		154,959	0	0	154,959	0	0	0
Jul-17		205			0		154,959	0	0	154,959	0	0	0
Aug-17		205			0		154,959	0	0	154,959	0	0	0
Sep-17		205			0		154,959	0	0	154,959	0	0	0
Oct-17		205			0		154,959	0	0	154,959	0	0	0
Nov-17		205			0		154,959	0	0	154,959	0	0	0
Dec-17		205			0		154,959	0	0	154,959	0	0	0
Credits from QO Units PIS in 2016											**512,200**	**0**	**512,200**
TOTAL	**164**	**205**	**164**	**0**	**0**		**1,673,557**	**0**	**0**	**1,673,557**	**2,304,900**	**0**	**2,304,900**

Lease-Up Schedule / Credit Delivery

Year	Tax Credit Units Leased (Income)	Cumulative Tax Credit Units Leased	Tax Credit Units Leased (Credits)	Non Tax Credit Units Leased	Cumulative Non Tax Credit Units	Commercial Sq FT Leased	Tax Credit Rental Income	Commercial Income	Non Tax Credit Rental Income	Total Rental Income	Rehab Tax Credits	Acq Tax Credits	Total Tax Credits
Jan-18		205			0		154,959	0	0	154,959	0	0	0
Feb-18		205			0		154,959	0	0	154,959	0	0	0
Mar-18		205			0		154,959	0	0	154,959	0	0	0
Apr-18		205			0		154,959	0	0	154,959	0	0	0
May-18		205			0		154,959	0	0	154,959	0	0	0
Jun-18		205			0		154,959	0	0	154,959	0	0	0
Jul-18		205			0		154,959	0	0	154,959	0	0	0
Aug-18		205			0		154,959	0	0	154,959	0	0	0
Sep-18		205			0		154,959	0	0	154,959	0	0	0
Oct-18		205			0		154,959	0	0	154,959	0	0	0
Nov-18		205			0		154,959	0	0	154,959	0	0	0
Dec-18		205			0		154,959	0	0	154,959	0	0	0
Credits from QO Units PIS in 2016											**512,200**	**0**	**512,200**
Credits from QO Units PIS in 2017											**2,048,800**	**0**	**2,048,800**
TOTAL	**0**	**205**	**0**	**0**	**0**		**1,859,508**	**0**	**0**	**1,859,508**	**2,561,000**	**0**	**2,561,000**
		units agree	units agree		units agree	sq ft agrees							

	Credits	Price/Credit	Equity
Federal LIHTC Credits	25,607,439	1.100	28,168,183
Federal Historic Tax Credits	0		0
State LIHTC Credits Purchased by NEF	0		0
State Historic Credits Purchased by NEF	0		0
Solar Credits	0		0
Total Limited Partner Equity			**28,168,183**
State LIHTC Credits Purchased by a 3rd Party			
3rd Party Buyer			
State Historic Credits Purchased by a 3rd Party			
3rd Party Buyer			
Total			**28,168,183**

Equity Installments

Payment	Project Milestone	Date	Qtr Paid	Development Costs Percent	Project Cost	Developer Fee Percent	Developer Fee	Total Reserves Payment	NEF Reserves	Total Equity Paid	Total Equity Percent	3rd Party Equity	NEF and 3rd Party EQUITY
1	NEF Closing/Construction Start	1/1/16	3/31/16	6.38%	1,358,760	25.00%	1,458,058		0	2,816,818	10.00%	0	2,816,818
2	25% Construction Complete	4/1/16	6/30/16	26.47%	5,633,637		0		0	5,633,637	20.00%	0	5,633,637
3	50% Construction Complete	8/1/16	9/30/16	26.47%	5,633,637		0		0	5,633,637	20.00%	0	5,633,637
4	75% Construction Complete	10/1/16	12/31/16	26.47%	5,633,637		0		0	5,633,637	20.00%	0	5,633,637
5	100% Construction Complete/ Placed in Service/ CO	12/1/16	12/31/16	14.20%	3,021,281	44.79%	2,612,356		0	5,633,637	20.00%	0	5,633,637
6	Stabilization / Conversion / Final Cost Cert / 8609	6/1/17	6/30/17		0	30.21%	1,761,818	1,055,000	1,055,000	2,816,818	10.00%	0	2,816,818
7	Tax Return				0		0		0	0	0.00%	0	0
8					0		0		0	0	0.00%	0	0
9					0		0		0	0	0.00%	0	0
10					0		0		0	0	0.00%	0	0
TOTAL				100.00%	21,280,951	100.00%	5,832,232	1,055,000	1,055,000	28,168,183	100.00%	0	28,168,183
					21,280,951					Equity Agrees		Equity Agrees	

Developer Fee	
Maximum Deferred Fee Percentage	50.00%
Developer Fee	5,832,232
From Cash Flow	0
From Equity	5,832,232
Percentage of Fee Deferred	0.00%

Operating Expenses

	Units 205	Annual Expense	Per Unit	Escalator	Comments	calculated property mgmt fee	alternate property mgmt fee calculation
General & Administrative	Property Management Fee	109,310	533	3.00%		6.40%	
	Misc. Prop. Mgmt. Fees		0	3.00%			
	Accounting/Auditing		0	3.00%			109,310
	Legal		0	3.00%			
	Office Supplies & Expense		0	3.00%			
	Telephone Answering Service		0	3.00%			
	Other - LIHTC Compliance Monitoring		0	3.00%			
	Other - Misc. Admin.		0	3.00%			
		109,310	533				
Payroll & Related	Administrative Payroll		0	3.00%			
	Maintenance Payroll		0	3.00%			
	Repair Payroll		0	3.00%			
	Payroll Taxes		0	3.00%			
	Fringe Benefits		0	3.00%			
	Other		0	3.00%			
		0	0				
						Owner Paid	Tenant Paid
Utilities	Electric (Common Area)		0	3.00%			
	Gas/Fuel Oil/Coal (Common Area)		0	3.00%			
	Water & Sewer		0	3.00%			
	Electric (for Units)		0	3.00%			
	Gas/Fuel Oil/Coal (for Units)		0	3.00%			
	Other		0	3.00%			
		0	0				
Maintenance & Repair	Cleaning (Janitorial)		0	3.00%			
	Elevator Maintenance		0	3.00%			
	Exterminating		0	3.00%			
	Fire Alarm Inspection		0	3.00%			
	Grounds Maintenance	906,400	4,421	3.00%			
	Grounds Maintenance Contract		0	3.00%			
	Painting & Decorating/Make-ready		0	3.00%			
	Repairs		0	3.00%			
	Repairs Contract		0	3.00%			
	Security		0	3.00%			
	Supplies		0	3.00%			
	Trash Removal/Snow Removal		0	3.00%			
	Vehicle/Equipment Maintenance		0	3.00%			
	Other - Misc Ops and Maint Expenses		0	3.00%			
	Reserves		0	3.00%			
		906,400	4,421				
Market & Leasing	Advertising		0	3.00%			
	Credit Investigations		0	3.00%			
	Leasing Fees		0	3.00%			
	Other		0	3.00%			
		0	0				
Taxes & Insurance	Insurance - Liability		0	3.00%			
	Other Taxes, Licenses & Fees		0	3.00%			
	Real Estate Taxes	65,920	322	3.00%			
	Property/Liability (Hazard)		0	3.00%			
	Other		0	3.00%			
		65,920	322				

Total Annual Operating Budget 1,081,630

Annual Operating Budget per Unit (PUPA) **5,276**

Is the project providing a washer/dryer in unit(s) Y/N

Which units are provided w/washer & dryer

Cash Flow

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	Sale 2032	0	0	TOTAL
Project Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	
% of Year in Operation	1.67%	90.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	0.00%	0.00%	
LIHTC and Subsidized Vacancy Override																				
INCOME																				
Gross Rent Paid - LIHTC Units 2.00%	12,352	667,019	771,074	786,495	802,225	818,270	834,635	851,328	868,354	885,721	903,436	921,504	939,935	958,733	977,908	997,466	1,017,415	0	0	14,013,871
Gross Rent Paid - Sub Units Increase 2.00%	18,640	1,006,538	1,163,558	1,186,830	1,210,566	1,234,777	1,259,473	1,284,662	1,310,356	1,336,563	1,363,294	1,390,560	1,418,371	1,446,739	1,475,673	1,379,755	0	0	0	19,486,356
Gross Rent Paid - After Contract 2.00%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	125,432	1,535,291	0	0	1,660,723
Market Rent	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Gross Residential Income	**30,992**	**1,673,557**	**1,934,632**	**1,973,325**	**2,012,791**	**2,053,047**	**2,094,108**	**2,135,990**	**2,178,710**	**2,222,284**	**2,266,730**	**2,312,064**	**2,358,306**	**2,405,472**	**2,453,581**	**2,502,653**	**2,552,706**	**0**	**0**	35,160,949
LIHTC Vacancy @ 7.0%	(865)	(46,691)	(53,975)	(55,055)	(56,156)	(57,279)	(58,424)	(59,593)	(60,785)	(62,000)	(63,241)	(64,505)	(65,795)	(67,111)	(68,454)	(69,823)	(71,219)	0	0	(980,971)
Subsidized Residential Vacancy @ 7.0%	(1,305)	(70,458)	(81,449)	(83,078)	(84,740)	(86,434)	(88,163)	(89,926)	(91,725)	(93,559)	(95,431)	(97,339)	(99,286)	(101,272)	(103,297)	(105,363)	(107,470)	0	0	(1,480,295)
Market Residential Vacancy @ 7.0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Income / yr @ 2% increase / yr	240	13,219	14,982	15,281	15,587	15,899	16,217	16,541	16,872	17,209	17,554	17,905	18,263	18,628	19,000	19,381	19,768	0	0	272,545
Other Income Vacancy @ 7.0%	(17)	(925)	(1,049)	(1,070)	(1,091)	(1,113)	(1,135)	(1,158)	(1,181)	(1,205)	(1,229)	(1,253)	(1,278)	(1,304)	(1,330)	(1,357)	(1,384)	0	0	(19,078)
Commercial @ 2% increase / yr	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Commercial Vacancy @ 7.0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Income																				0
Total Effective Gross Income from Project	**29,046**	**1,568,702**	**1,813,141**	**1,849,404**	**1,886,392**	**1,924,120**	**1,962,602**	**2,001,854**	**2,041,891**	**2,082,729**	**2,124,384**	**2,166,871**	**2,210,209**	**2,254,413**	**2,299,501**	**2,345,491**	**2,392,401**	**0**	**0**	32,953,149
EXPENSES																				
GENERAL & ADMINISTRATIVE	1,822	101,330	115,967	119,446	123,029	126,720	130,522	134,438	138,471	142,625	146,903	151,311	155,850	160,525	165,341	170,301	175,410	0	0	2,260,012
PAYROLL & RELATED	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
UTILITIES	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
MAINTENANCE & REPAIR	15,107	840,233	961,600	990,448	1,020,161	1,050,766	1,082,289	1,114,758	1,148,200	1,182,646	1,218,126	1,254,670	1,292,310	1,331,079	1,371,011	1,412,142	1,454,506	0	0	18,740,051
MARKETING & LEASING	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TAXES & INSURANCE	1,099	61,108	69,935	72,033	74,194	76,419	78,712	81,073	83,505	86,011	88,591	91,249	93,986	96,806	99,710	102,701	105,782	0	0	1,362,913
OTHER EXPENSES																				0
Total Expenses	**18,027**	**1,002,671**	**1,147,501**	**1,181,926**	**1,217,384**	**1,253,906**	**1,291,523**	**1,330,268**	**1,370,177**	**1,411,282**	**1,453,620**	**1,497,229**	**1,542,146**	**1,588,410**	**1,636,062**	**1,685,144**	**1,735,699**	**0**	**0**	22,362,975
Replacement Reserve (Funding Req.) @$300	1,025	57,011	65,245	67,203	69,219	71,295	73,434	75,637	77,906	80,244	82,651	85,130	87,684	90,315	93,024	95,815	98,689	0	0	1,271,528
Total Expenses including Replacement Reserve	**19,052**	**1,059,682**	**1,212,747**	**1,249,129**	**1,286,603**	**1,325,201**	**1,364,957**	**1,405,906**	**1,448,083**	**1,491,525**	**1,536,271**	**1,582,359**	**1,629,830**	**1,678,725**	**1,729,087**	**1,780,959**	**1,834,388**	**0**	**0**	23,634,504
NET OPERATING INCOME	**9,993**	**509,021**	**600,394**	**600,275**	**599,789**	**598,919**	**597,645**	**595,948**	**593,808**	**591,204**	**588,112**	**584,512**	**580,379**	**575,688**	**570,414**	**564,532**	**558,013**	**0**	**0**	9,318,646
ECR	1.52	1.48	1.50	1.48	1.47	1.45	1.44	1.42	1.41	1.40	1.38	1.37	1.36	1.34	1.33	1.32	1.30	0.00	0.00	
Req'd ECR 1.05 Cash needed for ECR	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
DEBT SERVICE (MUST-PAY))																				
First Mortgage Loan																				
Principal Pmt. - First Mortgage	0	30,724	64,396	68,538	72,947	77,639	82,633	87,948	93,605	99,626	106,034	112,854	120,113	127,839	136,062	144,814	154,129	0	0	1,579,902
Interest Pmt. - First Mortgage	0	238,040	473,131	468,989	464,580	459,888	454,894	449,579	443,922	437,901	431,493	424,673	417,414	409,688	401,465	392,713	383,399	0	0	6,751,770
Loan Servicing and/or MIP Fees	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total Debt Service - First Mortgage	0	268,764	537,527	537,527	537,527	537,527	537,527	537,527	537,527	537,527	537,527	537,527	537,527	537,527	537,527	537,527	537,527	0	0	8,331,672
Cash-flow after debt service - 1st	**9,993**	**240,257**	**62,867**	**62,747**	**62,262**	**61,391**	**60,118**	**58,421**	**56,281**	**53,676**	**50,585**	**46,985**	**42,851**	**38,161**	**32,887**	**27,005**	**20,486**	**0**	**0**	**986,974**
Debt coverage ratio after 1st mortgage	0.00	1.89	1.12	1.12	1.12	1.11	1.11	1.11	1.10	1.10	1.09	1.09	1.08	1.07	1.06	1.05	1.04	0.00	0.00	
Second Mortgage Loan																				
Principal Pmt. -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest Pmt. -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Loan Servicing and/or MIP Fees	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total Debt Service -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash-flow after debt service - 2nd	**9,993**	**240,257**	**62,867**	**62,747**	**62,262**	**61,391**	**60,118**	**58,421**	**56,281**	**53,676**	**50,585**	**46,985**	**42,851**	**38,161**	**32,887**	**27,005**	**20,486**	**0**	**0**	**986,974**
Debt coverage ratio (TIF Note only)	0.00	1.89	1.12	1.12	1.12	1.11	1.11	1.11	1.10	1.10	1.09	1.09	1.08	1.07	1.06	1.05	1.04	0.00	0.00	
Third Mortgage Loan																				
Principal Pmt. -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest Pmt. -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Loan Servicing and/or MIP Fees	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total Debt Service -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash-flow after debt service - 3rd	**9,993**	**240,257**	**62,867**	**62,747**	**62,262**	**61,391**	**60,118**	**58,421**	**56,281**	**53,676**	**50,585**	**46,985**	**42,851**	**38,161**	**32,887**	**27,005**	**20,486**	**0**	**0**	**986,974**
Debt coverage ratio after 3rd mortgage	0.00	1.89	1.12	1.12	1.12	1.11	1.11	1.11	1.10	1.10	1.09	1.09	1.08	1.07	1.06	1.05	1.04	0.00	0.00	
Fourth Mortgage Loan																				
Principal Pmt. -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest Pmt. -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Loan Servicing and/or MIP Fees	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total Debt Service -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash-flow after debt service - 4th	**9,993**	**240,257**	**62,867**	**62,747**	**62,262**	**61,391**	**60,118**	**58,421**	**56,281**	**53,676**	**50,585**	**46,985**	**42,851**	**38,161**	**32,887**	**27,005**	**20,486**	**0**	**0**	**986,974**
Debt coverage ratio after 4th mortgage	0.00	1.89	1.12	1.12	1.12	1.11	1.11	1.11	1.10	1.10	1.09	1.09	1.08	1.07	1.06	1.05	1.04	0.00	0.00	

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	0	0	TOTAL
Project Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	
Fifth Mortgage Loan																				
Principal Pmt. -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest Pmt. -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Loan Servicing and/or MIP Fees	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total Debt Service -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash-flow after debt service - 5th	**9,993**	**240,257**	**62,867**	**62,747**	**62,262**	**61,391**	**60,118**	**58,421**	**56,281**	**53,676**	**50,585**	**46,985**	**42,851**	**38,161**	**32,887**	**27,005**	**20,486**	**0**	**0**	**986,974**
Debt coverage ratio after 5th mortgage	0.00	1.89	1.12	1.12	1.12	1.11	1.11	1.11	1.10	1.10	1.09	1.09	1.08	1.07	1.06	1.05	1.04	0.00	0.00	
Req'd DSC	Cash needed for DSC																			0
																				0
																				0
Cash Flow From Operations for Construction Costs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Release of Operating Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash Flow After Required Payments & Funding of Operating Reserve	**9,993**	**240,257**	**62,867**	**62,747**	**62,262**	**61,391**	**60,118**	**58,421**	**56,281**	**53,676**	**50,585**	**46,985**	**42,851**	**38,161**	**32,887**	**27,005**	**20,486**	**0**	**0**	**986,974**
RESERVE WITHDRAWALS																				
1 Initial Operating Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2 Capitalized ACC Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3 Capitalized Rev Deficit Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4 Capitalized Lease-Up Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5 Other Reserves	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PAYMENTS CONTINGENT ON AVAILABLE CASH-FLOW																				
1 Annual NEFAsset Management Fee	9,993	21,115	21,748	22,401	23,073	23,765	24,478	25,212	25,969	26,748	27,550	28,377	29,228	30,105	31,008	27,005	20,486	0	0	418,261
2 Incentive Management Fee	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3 Deferred Developer Fee - Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4 Deferred Developer Fee - Principal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
16 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
18 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
21 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
22 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
23 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
24 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
25 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
26 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
27 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Remaining Cash	0	219,142	41,119	40,347	39,189	37,626	35,640	33,209	30,312	26,929	23,035	18,608	13,623	8,056	1,879	0	0	0	0	568,712

Excess Cash Allocation to Distributions																				
General Partner Share @ 0.01%	0	22	4	4	4	4	4	3	3	3	2	2	1	1	0	0	0	0	0	57
Limited Partner Share @ 99.99%	0	219,120	41,115	40,343	39,185	37,623	35,636	33,205	30,309	26,926	23,033	18,606	13,622	8,055	1,879	0	0	0	0	568,656

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Project Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	
Reserve Balances	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	2034	
Initial Operating Reserve		0	185,000	188,700	192,474	196,323	200,250	183,829	168,755	154,917	142,214	130,553	119,847	110,020	100,998	92,716	85,114	78,134	70,321	
Contributions to Operating Reserve	0	185,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Interest on Reserve Account	0	0	3,700	3,774	3,849	3,926	4,005	3,677	3,375	3,098	2,844	2,611	2,397	2,200	2,020	1,854	1,702	0	0	45,034
Withdrawal from Operating Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Other Use (Expense / Capitalized)	0	0	0	0	0	0	20,425	18,751	17,213	15,802	14,506	13,316	12,224	11,222	10,302	9,457	8,682	7,813		
Balance before Release	0	185,000	188,700	192,474	196,323	200,250	183,829	168,755	154,917	142,214	130,553	119,847	110,020	100,998	92,716	85,114	78,134	70,321	70,321	
Release of Operating Reserve to cash flow																				
Ending Balance	0	185,000	188,700	192,474	196,323	200,250	183,829	168,755	154,917	142,214	130,553	119,847	110,020	100,998	92,716	85,114	78,134	70,321	70,321	
	2%																			
Capitalized Replacement Reserve		1,025	58,054	124,460	194,152	267,254	343,895	381,786	418,553	454,347	489,310	523,572	557,257	590,478	623,342	655,950	688,395	720,767	648,691	
Interest on Reserve Account	0	18	1,161	2,489	3,883	5,345	6,878	7,636	8,371	9,087	9,786	10,471	11,145	11,810	12,467	13,119	13,768	0	0	127,435
Withdrawal from Replacement Reserve																				
Contributions to Replacement Reserve	1,025	57,011	65,245	67,203	69,219	71,295	73,434	75,637	77,906	80,244	82,651	85,130	87,684	90,315	93,024	95,815	98,689	0	0	
Other Use (Expense / Capitalized)	0	0	0	0	0	0	42,421	46,506	50,483	54,368	58,175	61,917	65,609	69,260	72,883	76,488	80,085	72,077	0	
Balance before Release																				
Release to cash flow																				
Ending Balance	1,025	58,054	124,460	194,152	267,254	343,895	381,786	418,553	454,347	489,310	523,572	557,257	590,478	623,342	655,950	688,395	720,767	648,691	648,691	
Capitalized ACC Reserve		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Contributions to Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Interest on Reserve Account	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Withdrawal from Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Other Use (Expense / Capitalized)																				
Balance before Release																				
Release of Reserve to cash flow																				
Ending Balance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	2%																			
Capitalized Rev Deficit Reserve		0	570,000	581,400	593,028	604,889	616,986	629,326	641,913	654,751	667,846	681,203	694,827	708,723	722,898	737,356	752,103	767,145	767,145	
Contributions to Reserve	0	570,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Interest on Reserve Account	0	0	11,400	11,628	11,861	12,098	12,340	12,587	12,838	13,095	13,357	13,624	13,897	14,174	14,458	14,747	15,042	0	0	197,145
Withdrawal from Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Other Use (Expense / Capitalized)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Balance before Release																				
Release of Reserve to cash flow																				
Ending Balance	0	570,000	581,400	593,028	604,889	616,986	629,326	641,913	654,751	667,846	681,203	694,827	708,723	722,898	737,356	752,103	767,145	767,145	767,145	
	2%																			
Insurance & Tax Escrow (Funding Not Req.)		0	300,000	306,000	312,120	318,362	324,730	331,224	337,849	344,606	351,498	358,528	365,698	373,012	380,473	388,082	395,844	209,720	209,720	
Interest on Reserve Account	0	0	6,000	6,120	6,242	6,367	6,495	6,624	6,757	6,892	7,030	7,171	7,314	7,460	7,609	7,762	7,917	0	0	103,761
Withdrawal from Ins & Tax Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	194,041	0	0	
Contributions to Ins & Tax Reserve	0	300,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Other Use (Expense / Capitalized)																			0	
Balance before Release																				
Release of Reserve to cash flow																				
Ending Balance	0	300,000	306,000	312,120	318,362	324,730	331,224	337,849	344,606	351,498	358,528	365,698	373,012	380,473	388,082	395,844	209,720	209,720	209,720	
	2%																			
Capitalized Lease-Up Reserve		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Contributions to Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Interest on Reserve Account	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Withdrawal from Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Other Use (Expense / Capitalized)																				
Balance before Release	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Release of Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Ending Balance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	2%																			
Other Reserves		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Contributions to Other Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Interest on Reserve Account	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Withdrawal from Other Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Other Use (Expense / Capitalized)																				
Balance before Release																				
Release of Operating Reserve to cash flow																				
Ending Balance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	2%																			

Year Placed in Service 2017

Use of Reserves Analysis

Operating Reserve	Used in yrs multiple of	5	% of balance used	10%	% of use capitalized	0%
Replacement Reserve	Used in yrs multiple of	5	% of balance used	10%	% of use capitalized	90%
Revenue Deficit Reserve	Used in yrs multiple of	20	% of balance used	50%	% of use capitalized	
Insurance & Tax Escrow Reserve	Used in yrs multiple of	15	% of balance used	50%	% of use capitalized	

		2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Use of Operating Reserve		0	0	0	0	0	0	20,425	18,751	17,213	15,802	14,506	13,316	12,224	11,222	10,302	9,457	8,682	7,813
Use of Replacement Reserve		0	0	0	0	0	0	42,421	46,506	50,483	54,368	58,175	61,917	65,609	69,260	72,883	76,488	80,085	72,077
Use of Revenue Deficit Reserve		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Use of Insurance & Tax Escrow Reserve		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	194,041	0
Total Uses of Reserves		0	0	0	0	0	0	62,846	65,257	67,696	70,169	72,681	75,234	77,833	80,482	83,185	85,945	282,808	79,890
Total Currently Expensed		0	0	0	0	0	0	24,668	23,401	22,261	21,238	20,323	19,508	18,785	18,148	17,590	17,106	210,731	15,021
Total Currently Capitalized		0	0	0	0	0	0	38,179	41,855	45,435	48,931	52,357	55,726	59,048	62,334	65,595	68,840	72,077	64,869
Cumulative Capitalized		0	0	0	0	0	0	38,179	80,034	125,469	174,400	226,757	282,483	341,530	403,865	469,460	538,299	610,376	675,245
Depreciation Taken	27.5	0	0	0	0	0	0	1,388	2,910	4,562	6,342	8,246	10,272	12,419	14,686	17,071	19,575	22,195	0
Remaining Capitalized Reserve Basis		0	0	0	0	0	0	36,790	75,735	116,608	159,197	203,308	248,762	295,390	343,039	391,562	440,827	490,709	555,578
Total Deduction for Use of Reserves		0	0	0	0	0	0	26,056	26,312	26,824	27,580	28,569	29,780	31,205	32,834	34,661	36,680	232,927	15,021

	Federal LIHTC			
	Total	Acquisition	Construction	
			100%	130%
Eligible Basis	39,995,694	0	0	39,995,694
Percentage of Cost with 130% Basis Boost	100.00%			
Res Portion of Solar Credits	0		0	0
Res Portion of Historic Rehab Credit	0		0	0
Subtotal	39,995,694	0	0	39,995,694
Less: Tax Exempt Bonds	0	0	0	0
Federal and Other Grants Off Basis	0	0	0	0
Other		0	0	0
Eligible Basis	**39,995,694**	**0**	**0**	**39,995,694**
Adjustment "Hard-to-Develop Area" or Qualified Census Tract		0.00%	100.00%	130.00%
Percentage of Historic Related Costs				
Adjusted Eligible Basis	51,994,402	0	0	51,994,402
Applicable Fraction		100.00%	100.00%	100.00%
Qualified Basis	**51,994,402**	**0**	0	**51,994,402**
Qualified Basis per Application		0	0	
Rate		3.22%	7.52%	7.52%
Annual LIHTC Amount Calculated	3,909,979	0	0	3,909,979
Actual Allocation	2,561,000	0	0	2,561,000
Used in Forecast (lessor)	2,561,000	0	0	2,561,000
Total Credits	25,610,000			

	No. of Units	Fraction	Total Sq Ft	Fraction
Low Income Apts	205	100.00%	228,850	100.00%
Market Rate Apts	0	0.00%	0	0.00%
Manager Unit	1			
TOTAL	206	100.00%	228,850	100.00%
Applicable fraction (the lesser of units or sq ft)				100.00%

50% Test	
Bond Analysis 50% Test (If Applicable)	
Total Tax Exempt Bond Proceeds	N/A
Add'l Const Period Bond Proceeds	
Total Project Basis	39,995,694
Bond Proceeds/Aggregate Basis	N/A

Project Assumptions

NEF Projections_Liberty Rising Phase 4 9% (AR adjusted pay ins).xlsm
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Project Description

Project Name	Liberty Rising Phase 4	
Limited Partnership Name	Liberty Rising Phase I, LLC	
Spreadsheet Purpose (Project Status)	Shelf	
Location		
Street Address	4751 NW 24th Court	
City	Miami	
State		FL
Zip Code	33142	
County	Miami-Dade	
Census Tract #		
Type	Urban	
Current Date	7/7/15	
Sponsor #1	Miami Redevelopment Partners, LLC	
Sponsor #1 - Tax Status	For Profit	
Sponsor #2		
Sponsor #2 - Tax Status		
Deal Source	NEF	
1 # of Residential Buildings	# Total Buildings	1
Total Number of Residential Units		187
Construction Type	New	
Target Population	Family	
Effective Tax Rate		35%
State Tax Rate (CA only)		
Rehab with Tenants in place?		N
4% or 9% credit deal?		9%
Tax exempt bond deal? (Y/N)		N
Use Building by Building Depreciation Schedule (Y/N)		
QCT / DDA (Indicate Which)	QCT	
130% Boost (enter %, 101% - 130%)		130%
Is 3rd party buying state credits ?		N
SMT #		
Date Deal Secured		
Building Type	Multifamily	

Timing Assumptions

NEF Admission to Partnership	1/1/16
NEF Initial Funding	1/1/16
Construction Start	1/1/16
Placed in Service	12/1/16
Permanent Loan Closing	6/1/17
Projected First Credit Year	2016
Sale of Project	12/31/32

Partnership Information

Is Developer Cash Basis? (Y/N)	N	
General Partner Tax Exempt (Y/N)	N	
Co-General Partner Tax Exempt (Y/N)	N	
Lower-Tier LP Profit/Loss & Credits Share	99.99%	
Lower-Tier GP Profit/Loss & Credit Share	0.01%	
Sale Proceeds Share - LP Portion	10.00%	
Sale Proceeds Share - GP Portion	90.00%	
Deferred Developer Fee Interest Rate		
Applicable Fed. Rate (AFR)	2.74%	Jul-15
Lower-Tier LP Cash Flow Distribution Percentage	99.99%	
Length of LURA	30	

Escalators

Annual Residential Rent Increase - LIHTC	2.00%
-Subsidized	2.00%
Annual Residential Rent Increase - Mkt	2.00%
Residential Vacancy Rate - LIHTC	7.00%
-Subsidized	7.00%
-Mkt	7.00%
Annual Commercial Rent Increase	2.00%
Commercial Vacancy Rate	7.00%
Alternate escalation table being used	
Other Income Growth Rate	2.00%
Annual Expense Increase	3.00%

Reserves and Fees

	Y/N	$ Amt or % of EGI	Accrue Fee/Funding (Y/N)	Interest Earnings Rate	Growth Rate	Estimated Reserve Amount per Unit	Target Reserve Amount
Annual Funding of Replacement Reserve	Y	56,100		2.00%	3.00%	$300	
Annual Funding of Operating Reserve				2.00%	3.00%		
Annual Funding of Rev Deficit Reserve				2.00%	3.00%		
Annual NEFAsset Management Fee	Y	18,700		2.00%	3.00%		
Annual Partnership Mgmt Fee to GP	Y	7,500		2.00%	3.00%		
Management Incentive Fee							
Annual Funding of Ins & Tax Escrow				2.00%	3.00%		
Annual Funding of Other Reserves				2.00%	3.00%		

Project Assumptions

NEF Projections Liberty Rising Phase 4 9% (AR adjusted pay ins).xlsm
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Tax Credit Information

Acquisition Credit Rate	3.22%	Date	7/1/15	
Construction / Rehab Credit Rate	7.52%	Date	7/1/15	
Credit Rate Locked-In? (Y/N)	N	Date		
Annual Tax Credit frm Tax Credit Res	$2,561,000		Year of allocation	2015
Annual Tax Credit - 2nd year allocation			Elected set-aside	
Total Annual Tax Credit Allocation	$2,561,000		($1,021,223)	Unallocated
Total Annual Rehab Credit Allocated	$2,561,000			
Total Annual Acq Credit Allocated	$0			
Total LIHTC Basis+Land+Commercial	36,643,035			
10% Carryover Test Required (Y/N)	N			
Due Date of 10% Carryover				
Eligible for Solar Credits? (Y/N)	N			
Eligible for Acquisition Credit? (Y/N)	N			
Eligible for Cal State Tax Credit? (Y/N)	N			
Tax Credit Allocated				
Eligible for State LIHTC Credit? (Y/N)	N			
Tax Credit Allocated				
State LIHTC Credit - Number of Years				
Eligible for Historic Rehab Credit? (Y/N)	N			
Eligible for State Historic Tax Credit? (Y/N)	N		Number of Years	
State Historic Credit Percentage				

Other Annual Income	
Laundry	14,400
Vending	
Other Income	
TOTAL	14,400

Is 168 election required

Tax Exempt Bond Financing	
Bond Issuer	
Credit Enhancement Type	
Enhancement Provided by	
Bond Purchaser:	
Date of Bond Issuance	
Are These Draw Down Bonds	

Peredevelopment loan

NEF Regional Team:	
VP Originations	Tony Lyons
VP Supportive Housing	
Originations Manager	Sandra Seals
Originations Analyst	
VP Project Management	
Project Manager	
Constructions Risk Manager	
VP Asset Management	
Asset manager	

Project Characteristics Choose all that apply

Unit Mix & Rents

# Bdrms	# Bath rooms	Description	# Units	Median Income Targeted	Description of Units	Developer Rent	NEF LIHTC Rent	HUD FMR	S8 Pymt Standard	Tenant Pd Utility	Market Units Rent	Average Market Rent	During Contract	After Contract	Subsidy Type	Term (yrs)	Stressed Term (yrs)	Monthly Comm Income	Total Monthly Income	Stressed Income Escalator	Sq Ft / Unit	Total Sq Ft	Max LIHTC Rent @ target AMI	% of Rent Below LIHTC Max	After Contract Rent % Below LIHTC Max	Rent As Max % of Income	% of AMI of After Contract Rents	% of Rent Below Avg Market Rent
1	1.0	LIHTC Subsidized	6	50%		519	519			66					Section 9	40			3,114	2.00%	650	3,900	635	8%		62.5%		#DIV/0!
1	1.0	LIHTC Subsidized	17	50%						66.00			932	932	ction 8 - PHA Project Based Vouch	15	5		15,844	2.00%	650	11,050	635	-57%	-57%	106.7%	107%	#DIV/0!
2	2.0	LIHTC Subsidized	55	50%		519	519			84.00					Section 9	40			28,545	2.00%	1,100	60,500	762	21%		53.7%		#DIV/0!
2	2.0	LIHTC Subsidized	34	50%						84.00			1,194	1,194	ction 8 - PHA Project Based Vouch	15	5		40,596	2.00%	1,100	37,400	762	-68%	-68%	113.8%	114%	#DIV/0!
3	2.0	LIHTC Subsidized	26	50%		519	519			105.00					Section 9	40			13,494	2.00%	1,250	32,500	880	29%		48.1%		#DIV/0!
3	2.0	LIHTC Subsidized	18	50%						105.00			1,648	1,648	ction 8 - PHA Project Based Vouch	15	5		29,664	2.00%	1,250	22,500	880	-99%	-99%	135.1%	135%	#DIV/0!
4	2.0	LIHTC Subsidized	21	50%		519	519			137.00					Section 9	40			10,899	2.00%	1,350	28,350	982	33%		45.3%		#DIV/0!
5	2.0	LIHTC Subsidized	9	50%						137.00					Section 9	40			0	2.00%	1,350	12,150	1,083	87%		8.6%		#DIV/0!
2	2.0	Manager	1	50%		519	519												519	2.00%	1,100	1,100				46.2%		#DIV/0!
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Total Units	187	
Commercial Units	0	
Residential Units	187	
Manager Units	1	http://www.huduser.org/portal/datasets/mtsp.html

Percent Residential 100.00%
BE Occupancy 90.06%

HUD Income	
Median Income / Family of 4	49,900
As Of (Date)	3/6/15
Location	Miami Dade County
AMI source	HUD

Date AMI checked 7/6/15
Rent floor election year

	LIHTC	Market	Commercial	Subsidized	TOTAL	Garages	Day Care Bldg
Total Units	1	0	0	186	187		
Monthly Rent	56,571	0	0	86,104	142,675		
Annual Rent	678,852	0	0	1,033,248	1,712,100	0	0
Total RentableSq Ftg	0	0	0	208,350	208,350		

0	Total Commercial Sq Ft
	Is Commercial Space a Master Lease (Y/N)
0	Commercial Rent per Sq Ft
	Type of Lease NN or NNN)
	Is Commercial Space Eligible for Historic Credits

	Utilities	Source	Date
Tenant Paid	Gas & Electric	PHCD	
Owner Paid	Trash and Water	PHCD	

AMI Analysis		% Change
2006	55,900	
2007	45,200	-19.14%
2008	49,200	8.85%
2009	50,800	3.25%
2010	52,200	2.76%
2011	51,900	-0.57%
2012	52,600	1.35%
2013	49,000	-6.84%
2014	48,400	-1.22%
2015	49,900	3.10%
2016		0.00%
		-0.94%

Source huduser.org

4 person very low income 33,850

Max LIHTC Income and Rents

# BDRMS	Family Size	Adj Factor	50% Income	50% Rent	60% Income	60% Rent	Income	Rent	Income	Rent	Income	Rent	Income	Rent
0	1	0.70	23,695	592	28,434	711	0	0	0	0	0	0	0	0
1	1.5	0.75	25,388	635	30,465	762	0	0	0	0	0	0	0	0
	2	0.80	27,080	677	32,496	812	0	0	0	0	0	0	0	0
2	3	0.90	30,465	762	36,558	914	0	0	0	0	0	0	0	0
	4	1.00	33,850	846	40,620	1,016	0	0	0	0	0	0	0	0
3	4.5	1.04	35,204	880	42,245	1,056	0	0	0	0	0	0	0	0
	5	1.08	36,558	914	43,870	1,097	0	0	0	0	0	0	0	0
4	6	1.16	39,266	982	47,119	1,178	0	0	0	0	0	0	0	0
	7	1.24	41,974	1,049	50,369	1,259	0	0	0	0	0	0	0	0
5	7.5	1.28	43,328	1,083	51,994	1,300	0	0	0	0	0	0	0	0
	8	1.32	44,682	1,117	53,618	1,340	0	0	0	0	0	0	0	0

1.13

% of funding	Required Loans / Source of Funds / Lender Name	Principal	Debt / Unit	Payment Type	Interest Rate	Perm Loan Closing Date	1st Pay Date	Amort Yrs	Term Yrs	Recourse Y/N)	Sponsor/Related Party	Is lender related to investor	Source	Conversion Requirements
16.92%	First Mortgage	7,070,000	37,807	Amortizing	6.25%	6/1/17	7/1/17	35	35	N	N	N	Private Lender	
0.00%			0											
0.00%			0											
0.00%			0											
0.00%			0											
		7,070,000	**37,807**											
	Contingent Loans / Lender Name													
5.00%	County General Obligation Bonds	2,090,881	11,181	Amortizing	2.37%	1/1/16	2/1/16	35	35	N	N		County Loan Sources	
2.63%	PHCD Documentary Surtax Fund	1,097,345	5,868	Amortizing	2.37%	1/1/16	2/1/16	35	35	N	N		County Loan Sources	
3.50%	PHCD CFFP	1,463,127	7,824	Amortizing	2.37%	1/1/16	2/1/16	35	35	N	N		County Loan Sources	
4.55%	Other Public and Private Funds	1,900,000	10,160	Amortizing	2.37%	1/1/16	2/1/16	35	35	N	N		Other	
0.00%			0											
0.00%			0											
0.00%			0											
0.00%			0											
	Subtotal Contingent Loans	**6,551,353**	**35,034**											

	Grants		Comments	Fed Grant ? (Y/N)
0.00%				
0.00%				
	Subtotal Grants	**0**		

	Other Sources		Comments			
0.00%	State Tax Equity Provider	0				
0.00%	Cash Flow from Operations	0	Percentage of cash flow from operations to fund deal	0%	No of Yrs	2
0.00%						
0.00%						
0.00%						
0.00%						
0.00%	GP Capital					
0.00%	Developer Fee via Cash Flow	0	0 Year DDF Paid Off			
67.40%	NEF Equity	28,168,183	DDF paid on RA page			
	Subtotal Other Sources	**28,168,183**				
100.00%	**Total Sources**	**41,789,536**				

Construction Financing

Construction Lender	Principal	Interest Rate	Conversion Date	Maturity Date	Comments	Bond Financing (Y/N)
First Mortgage	15,526,817	6.25%	6/1/17	6/1/17		

Development Costs

Uses of Funds		Total	Per Sq Ft	Per Unit	Depreciable Basis	NC/Rehab Eligible	Acquisition Eligible	Commercial Costs	Non-Depreciable	Amortized	Yrs	Expensed	Historic Basis	Bond Basis	Check	Comments
Land	0%		0	0	0	X	0	0	0	0		0	X	0	0	
Building	0		0	0	0	X	0	0	0	0	0	0	X	0	0	
Acquisition Legal Costs			0	0	0	X	0	0	0	0		0	X	0	0	
Other acquisition costs - holding costs			0	0	0	X	0	0	0	0		0	X	0	0	
Other acquisition costs			0	0	0	X	0	0	0	0		0	X	0	0	
Off-Site Improvements		1,860,000	9	9,947	0	X	0	0	1,860,000	0		0	X	0	0	
Site Work - Bldg Life Depr (Utility & Sewer Lines)			0	0	0	0	0	0	0	0		0	X	0	0	
Site Work - Non Depr (Grading, Demolition, Land Clearing)		899,495	4	4,810	0	0	0	0	899,495	0		0	X	0	0	
Site Work - 15 Year Depr (Landscaping, fine grading, sidewalks)			0	0	0	0	0	0	0	0		0	X	0	0	
Basic Construction Retention %		22,379,745	107	119,678	22,379,745	22,379,745	0	0	0	0		0	0	22,379,745	0	
Personal Property			0	0	0	0	0	0	0	0		0		0	0	
Gen. Req., Builder's OH & Profit	14.04%	3,268,101	16	17,476	3,268,101	3,268,101	0	0	0	0		0	0	3,268,101	0	
Other Construction Hard Costs - Solar			0	0	0	0	0	0	0	0		0	0	0	0	
Other Construction Hard Costs			0	0	0	0	0	0	0	0		0	0	0	0	
Other Construction Hard Costs			0	0	0	0	0	0	0	0		0	0	0	0	
CONSTRUCTION CONTINGENCY	4.42%	1,256,962	6	6,722	1,256,962	1,256,962	0	0	0	0		0	0	1,256,962	0	
Payment and Performance Bond		251,392	1	1,344	251,392	251,392	0	0	0	0		0	0	251,392	0	
Architect/Design		670,000	3	3,583	670,000	670,000	0	0	0	0		0	0	670,000	0	
Construction Management/Architect Supervision		180,000	1	963	180,000	180,000	0	0	0	0		0	0	180,000	0	
Construction Permits and Fees			0	0	0	0	0	0	0	0		0	0	0	0	
Lender or NEF Inspection fee		16,000	0	86	16,000	16,000	0	0	0	0		0	0	16,000	0	
Engineering		360,000	2	1,925	360,000	360,000	0	0	0	0		0	0	360,000	0	
Environmental Reporting and Abatement		25,000	0	134	25,000	25,000	0	0	0	0		0	0	25,000	0	
Geotechnical Study/Soil Borings		70,000	0	374	70,000	70,000	0	0	0	0		0	0	70,000	0	
Other Construction Soft Costs		75,000	0	401	75,000	75,000	0	0	0	0		0	0	75,000	0	
Other Construction Soft Costs			0	0	0	0	0	0	0	0		0	0	0	0	
Construction Loan Origination Fee		297,771	1	1,592	297,771	297,771	0	0	0	0	20	0	0	297,771	0	
CONSTRUCTION LOAN INTEREST IN BASIS	510,359	396,413	2	2,120	396,413	396,413	0	0	0	0		0	0	396,413	0	
CONSTRUCTION LOAN INTEREST EXPENSED		816,619	4	4,367	0	0	0	0	0	0		816,619	0	0	0	
Construction Period RE Taxes		60,000	0	321	60,000	60,000	0	0	0	0		0	0	60,000	0	
Construction Period Insurance		650,000	3	3,476	650,000	650,000	0	0	0	0		0	0	650,000	0	
Other Misc Construction Related:			0	0	0	0	0	0	0	0		0	0	0	0	
Appraisal		13,000	0	70	13,000	13,000	0	0	0	0		0	0	13,000	0	
Market Study		12,000	0	64	12,000	12,000	0	0	0	0		0	0	12,000	0	
Survey		30,000	0	160	30,000	30,000	0	0	0	0		0	0	30,000	0	
Predevelopment Loan Interest and Fees			0	0	0	0	0	0	0	0	15	0	0	0	0	
Consulting Fees			0	0	0	0	0	0	0	0	15	0	0	0	0	
"Project" Bridge Loan Interest in Basis			0	0	0	0	0	0	0	0		0	0	0	0	
Loan Origination Fee - Permanent			0	0	0	0	0	0	0	0	35	0	0	0	0	
Title & Recording		180,000	1	963	162,000	162,000	0	0	18,000	0	10	0	0	162,000	0	
Legal - Syndication/Organization		0	0	0	0	0		0	0	0	15	0	0	0	0	
Legal - Bond/Perm Loan			0	0	0	0	0	0	0	0	35	0	0	0	0	
Legal - Construction		255,000	1	1,364	255,000	255,000	0	0	0	0		0	0	255,000	0	
Due Diligence - NEF		52,000	0	278	0	0	0	0	52,000	0		0	0	0	0	
Tax Credit Allocation Fee		204,880	1	1,096	0	0	0	0	0	204,880	10	0	0	0	0	
Tax Credit Compliance Fees		109,505	1	586	0	0	0	0	0	109,505	10	0	0	0	0	
Lease-up and Marketing Costs		143,000	1	765	0	0	0	0	0	143,000	1	0	0	0	0	
Accounting/Post Const. Audit		35,000	0	187	0	0	0	0	0	0		35,000	0	0	0	
Soft Cost Contingency		245,360	1	1,312	245,360	245,360	0	0	0	0		0	0	245,360	0	
Other Soft Costs		21,933	0	117	21,933	21,933	0	0	0	0	2	0	0	21,933	0	
Other Soft Costs		338,505	2	1,810	338,505	338,505	0	0	0	0		0	0	338,505	0	
Other Soft Costs		250,000	1	1,337	250,000	250,000	0	0	0	0		0	0	250,000	0	
Developer Fee - Construction	100%	5,358,853	26	28,657	5,358,853	5,358,853	0	0	0	0		0	0	5,358,853	0	
Developer Fee - Acquisition	0%		0	0	0		0	0	0	0		0	0	0	0	
Developer Fee - Other			0	0	0	0	0	0	0	0		0	0	0	0	
Initial Operating Reserve	1.44	185,000	1	989	0	0	0	0	185,000	0		0	X	0	0	
Capitalized Replacement Reserve	0		0	0	0	0	0	0	0	0		0	X	0	0	
Capitalized ACC Reserve			0	0	0	0	0	0	0	0		0	X	0	0	
Capitalized Rev Deficit Reserve	4	520,000	2	2,781	0	0	0	0	520,000	0		0	X	0	0	
Capitalized Ins & Tax Escrow		300,000	1	1,604	0	0	0	0	300,000	0		0	X	0	0	
Capitalized Lease-Up Reserve			0	0	0	0	0	0	0	0		0	X	0	0	
Other Reserves			0	0	0	0	0	0	0	0		0	X	0	0	
Other Reserves			0	0	0	0	0	0	0	0		0	X	0	0	
Other Reserves				0	0	0	0	0	0	0		0	X	0	0	
Accrued Contingent Loan Interest		110,237			0	0	0	0	0	0		0	0	0	110,237	
Total Uses		41,786,534	201	223,457	36,643,035	36,643,035	0	0	3,834,495	457,385		851,619	0	36,643,035	0	

Sources/Uses Surplus (Gap)	3,002

Lease-Up Schedule / Credit Delivery

Number of Residential Units	187	First Building Placed in Service	12/1/16	Acquisition Credits Allocated/yr	0
Number of Tax Credit Units	187	Last Building Placed in Service	12/1/16	LIHTCs Allocated @ 100%/yr	0
Number of Market Units	0	Construction Contract Completion Date		LIHTCs Allocated @ 130%/yr	2,561,000
Commercial Square Footage	0			Cal State Credits Allocated @ 100%	0
Square Footage of Building	208,350			Cal State Credits Allocated @ 130%	0
Start of Construction	1/1/16			State Credits Allocated	0
Completion/CofO/Placed in Service	12/1/16			Historic Credits Allocated	0
Start of Leasing/Move-in Date	12/1/16	Absorption (avg units/month) per market study	50	State Historic Credits Allocated	0
100% Lease-Up/Qualified Occupancy	4/1/17	Absorption (avg units/month) per model	37	Solar Credits	0
Start of QO Tax Credit Units PIS	12/1/2016				
Construction Period	11				

Year	Tax Credit Units Leased (Income)	Cumulative TC Units Leased	Tax Credit Units Leased (Credits)	Non TC Units Leased	Cumulative Non TC Units Leased	Commercial Sq Ft Leased	Tax Credit Rental Income	Commercial Income	Non Tax Credit Rental Income	Total Rental Income	Rehab Tax Credits	Acq Tax Credits	Total Tax Credits
Jan-16		0			0		0	0	0	0	0	0	0
Feb-16		0			0		0	0	0	0	0	0	0
Mar-16		0			0		0	0	0	0	0	0	0
Apr-16		0			0		0	0	0	0	0	0	0
May-16		0			0		0	0	0	0	0	0	0
Jun-16		0			0		0	0	0	0	0	0	0
Jul-16		0			0		0	0	0	0	0	0	0
Aug-16		0			0		0	0	0	0	0	0	0
Sep-16		0			0		0	0	0	0	0	0	0
Oct-16		0			0		0	0	0	0	0	0	0
Nov-16		0			0		0	0	0	0	0	0	0
Dec-16	38	38	38		0		28,993	0	0	28,993	43,368	0	43,368
TOTAL	**38**	**38**	**38**	**0**	**0**		**28,993**	**0**	**0**	**28,993**	**43,368**	**0**	**43,368**

Year	Tax Credit Units Leased (Income)	Cumulative Tax Credit Units Leased	Tax Credit Units Leased (Credits)	Non Tax Credit Units Leased	Cumulative Non Tax Credit Units	Commercial Sq FT Leased	Tax Credit Rental Income	Commercial Income	Non Tax Credit Rental Income	Total Rental Income	Rehab Tax Credits	Acq Tax Credits	Total Tax Credits
Jan-17	38	76	38		0		57,986	0	0	57,986	520,417	0	520,417
Feb-17	38	114	38		0		86,978	0	0	86,978	477,049	0	477,049
Mar-17	38	152	38		0		115,971	0	0	115,971	433,681	0	433,681
Apr-17	35	187	35		0		142,675	0	0	142,675	359,499	0	359,499
May-17		187			0		142,675	0	0	142,675	0	0	0
Jun-17		187			0		142,675	0	0	142,675	0	0	0
Jul-17		187			0		142,675	0	0	142,675	0	0	0
Aug-17		187			0		142,675	0	0	142,675	0	0	0
Sep-17		187			0		142,675	0	0	142,675	0	0	0
Oct-17		187			0		142,675	0	0	142,675	0	0	0
Nov-17		187			0		142,675	0	0	142,675	0	0	0
Dec-17		187			0		142,675	0	0	142,675	0	0	0
Credits from QO Units PIS in 2016											**520,417**	**0**	**520,417**
TOTAL	**149**	**187**	**149**	**0**	**0**		**1,545,010**	**0**	**0**	**1,545,010**	**2,311,063**	**0**	**2,311,063**

Lease-Up Schedule / Credit Delivery

Year	Tax Credit Units Leased (Income)	Cumulative Tax Credit Units Leased	Tax Credit Units Leased (Credits)	Non Tax Credit Units Leased	Cumulative Non Tax Credit Units	Commercial Sq FT Leased	Tax Credit Rental Income	Commercial Income	Non Tax Credit Rental Income	Total Rental Income	Rehab Tax Credits	Acq Tax Credits	Total Tax Credits
Jan-18		187			0		142,675	0	0	142,675	0	0	0
Feb-18		187			0		142,675	0	0	142,675	0	0	0
Mar-18		187			0		142,675	0	0	142,675	0	0	0
Apr-18		187			0		142,675	0	0	142,675	0	0	0
May-18		187			0		142,675	0	0	142,675	0	0	0
Jun-18		187			0		142,675	0	0	142,675	0	0	0
Jul-18		187			0		142,675	0	0	142,675	0	0	0
Aug-18		187			0		142,675	0	0	142,675	0	0	0
Sep-18		187			0		142,675	0	0	142,675	0	0	0
Oct-18		187			0		142,675	0	0	142,675	0	0	0
Nov-18		187			0		142,675	0	0	142,675	0	0	0
Dec-18		187			0		142,675	0	0	142,675	0	0	0
Credits from QO Units PIS in 2016											**520,417**	**0**	**520,417**
Credits from QO Units PIS in 2017											**2,040,583**	**0**	**2,040,583**
TOTAL	**0**	**187**	**0**	**0**	**0**		**1,712,100**	**0**	**0**	**1,712,100**	**2,561,000**	**0**	**2,561,000**
		units agree	units agree		units agree	sq ft agrees							

	Credits	Price/Credit	Equity
Federal LIHTC Credits	25,607,439	1.100	28,168,183
Federal Historic Tax Credits	0		0
State LIHTC Credits Purchased by NEF	0		0
State Historic Credits Purchased by NEF	0		0
Solar Credits	0		0
Total Limited Partner Equity			**28,168,183**
State LIHTC Credits Purchased by a 3rd Party			
3rd Party Buyer			
State Historic Credits Purchased by a 3rd Party			
3rd Party Buyer			
Total			**28,168,183**

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Equity Installments

Payment	Project Milestone	Date	Qtr Paid	Development Costs Percent	Project Cost	Developer Fee Percent	Developer Fee	Total Reserves Payment	NEF Reserves	Total Equity Paid	Total Equity Percent	3rd Party Equity	NEF and 3rd Party EQUITY
1	NEF Closing/Construction Start	1/1/16	3/31/16	6.77%	1,477,105	25.00%	1,339,713		0	2,816,818	10.00%	0	2,816,818
2	25% Construction Complete	4/1/16	6/30/16	25.84%	5,633,637		0		0	5,633,637	20.00%	0	5,633,637
3	50% Construction Complete	8/1/16	9/30/16	25.84%	5,633,637		0		0	5,633,637	20.00%	0	5,633,637
4	75% Construction Complete	10/1/16	12/31/16	25.84%	5,633,637		0		0	5,633,637	20.00%	0	5,633,637
5	100% Construction Complete/ Placed in Service/ CO	12/1/16	12/31/16	15.71%	3,426,315	41.19%	2,207,322		0	5,633,637	20.00%	0	5,633,637
6	Stabilization / Conversion / Final Cost Cert / 8609	6/1/17	6/30/17		0	33.81%	1,811,818	1,005,000	1,005,000	2,816,818	10.00%	0	2,816,818
7	Tax Return				0		0		0	0	0.00%	0	0
8					0		0		0	0	0.00%	0	0
9					0		0		0	0	0.00%	0	0
10					0		0		0	0	0.00%	0	0
TOTAL				100.00%	21,804,331	100.00%	5,358,853	1,005,000	1,005,000	28,168,184	100.00%	0	28,168,184
					21,804,330							Equity Agrees	

Developer Fee	
Maximum Deferred Fee Percentage	50.00%
Developer Fee	5,358,853
From Cash Flow	0
From Equity	5,358,853
Percentage of Fee Deferred	0.00%

Operating Expenses

	Units 187	Annual Expense	Per Unit	Escalator	Comments	calculated property mgmt fee	alternate property mgmt fee calculation
General & Administrative	Property Management Fee	100,395	537	3.00%		6.38%	
	Misc. Prop. Mgmt. Fees		0	3.00%			
	Accounting/Auditing		0	3.00%			100,395
	Legal		0	3.00%			
	Office Supplies & Expense		0	3.00%			
	Telephone Answering Service		0	3.00%			
	Other - LIHTC Compliance Monitoring		0	3.00%			
	Other - Misc. Admin.		0	3.00%			
		100,395	537				
Payroll & Related	Administrative Payroll		0	3.00%			
	Maintenance Payroll		0	3.00%			
	Repair Payroll		0	3.00%			
	Payroll Taxes		0	3.00%			
	Fringe Benefits		0	3.00%			
	Other		0	3.00%			
		0	0				
						Owner Paid	Tenant Paid
Utilities	Electric (Common Area)		0	3.00%			
	Gas/Fuel Oil/Coal (Common Area)		0	3.00%			
	Water & Sewer		0	3.00%			
	Electric (for Units)		0	3.00%			
	Gas/Fuel Oil/Coal (for Units)		0	3.00%			
	Other		0	3.00%			
		0	0				
Maintenance & Repair	Cleaning (Janitorial)		0	3.00%			
	Elevator Maintenance		0	3.00%			
	Exterminating		0	3.00%			
	Fire Alarm Inspection		0	3.00%			
	Grounds Maintenance	827,200	4,424	3.00%			
	Grounds Maintenance Contract		0	3.00%			
	Painting & Decorating/Make-ready		0	3.00%			
	Repairs		0	3.00%			
	Repairs Contract		0	3.00%			
	Security		0	3.00%			
	Supplies		0	3.00%			
	Trash Removal/Snow Removal		0	3.00%			
	Vehicle/Equipment Maintenance		0	3.00%			
	Other - Misc Ops and Maint Expenses		0	3.00%			
	Reserves		0	3.00%			
		827,200	4,424				
Market & Leasing	Advertising		0	3.00%			
	Credit Investigations		0	3.00%			
	Leasing Fees		0	3.00%			
	Other		0	3.00%			
		0	0				
Taxes & Insurance	Insurance - Liability		0	3.00%			
	Other Taxes, Licenses & Fees		0	3.00%			
	Real Estate Taxes	60,160	322	3.00%			
	Property/Liability (Hazard)		0	3.00%			
	Other		0	3.00%			
		60,160	322				

Total Annual Operating Budget: 987,755

Annual Operating Budget per Unit (PUPA): **5,282**

Is the project providing a washer/dryer in unit(s): Y/N

Which units are provided w/washer & dryer:

Cash Flow

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	Sale 2032	0	0	TOTAL
Project Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	
% of Year in Operation	1.69%	90.24%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	0.00%	0.00%	
LIHTC and Subsidized Vacancy Override																				
INCOME																				
Gross Rent Paid - LIHTC Units 2.00%	11,496	612,600	706,278	720,403	734,811	749,507	764,498	779,788	795,383	811,291	827,517	844,067	860,948	878,167	895,731	913,645	931,918	0	0	12,838,049
Gross Rent Paid - Sub Units Increase 2.00%	17,497	932,410	1,074,991	1,096,491	1,118,421	1,140,789	1,163,605	1,186,877	1,210,615	1,234,827	1,259,524	1,284,714	1,310,408	1,336,616	1,363,349	1,274,731	0	0	0	18,005,865
Gross Rent Paid - After Contract 2.00%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	115,885	1,418,428	0	0	1,534,313
Market Rent	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Gross Residential Income	**28,993**	**1,545,010**	**1,781,269**	**1,816,894**	**1,853,232**	**1,890,297**	**1,928,103**	**1,966,665**	**2,005,998**	**2,046,118**	**2,087,040**	**2,128,781**	**2,171,357**	**2,214,784**	**2,259,080**	**2,304,261**	**2,350,346**	**0**	**0**	32,378,227
LIHTC Vacancy @ 7.0%	(805)	(42,882)	(49,439)	(50,428)	(51,437)	(52,466)	(53,515)	(54,585)	(55,677)	(56,790)	(57,926)	(59,085)	(60,266)	(61,472)	(62,701)	(63,955)	(65,234)	0	0	(898,663)
Subsidized Residential Vacancy @ 7.0%	(1,225)	(65,269)	(75,249)	(76,754)	(78,289)	(79,855)	(81,452)	(83,081)	(84,743)	(86,438)	(88,167)	(89,930)	(91,729)	(93,563)	(95,434)	(97,343)	(99,290)	0	0	(1,367,812)
Market Residential Vacancy @ 7.0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Income / yr @ 2% increase / yr	244	13,255	14,982	15,281	15,587	15,899	16,217	16,541	16,872	17,209	17,554	17,905	18,263	18,628	19,000	19,381	19,768	0	0	272,584
Other Income Vacancy @ 7.0%	(17)	(928)	(1,049)	(1,070)	(1,091)	(1,113)	(1,135)	(1,158)	(1,181)	(1,205)	(1,229)	(1,253)	(1,278)	(1,304)	(1,330)	(1,357)	(1,384)	0	0	(19,081)
Commercial @ 2% increase / yr	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Commercial Vacancy @ 7.0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Income																				0
Total Effective Gross Income from Project	**27,190**	**1,449,186**	**1,670,513**	**1,703,923**	**1,738,002**	**1,772,762**	**1,808,217**	**1,844,381**	**1,881,269**	**1,918,894**	**1,957,272**	**1,996,418**	**2,036,346**	**2,077,073**	**2,118,614**	**2,160,987**	**2,204,207**	**0**	**0**	30,365,255
EXPENSES																				
GENERAL & ADMINISTRATIVE	1,700	93,315	106,509	109,704	112,995	116,385	119,877	123,473	127,177	130,993	134,922	138,970	143,139	147,433	151,856	156,412	161,105	0	0	2,075,968
PAYROLL & RELATED	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
UTILITIES	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
MAINTENANCE & REPAIR	14,008	768,865	877,576	903,904	931,021	958,952	987,720	1,017,352	1,047,872	1,079,308	1,111,688	1,145,038	1,179,389	1,214,771	1,251,214	1,288,751	1,327,413	0	0	17,104,842
MARKETING & LEASING	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TAXES & INSURANCE	1,019	55,917	63,824	65,738	67,711	69,742	71,834	73,989	76,209	78,495	80,850	83,276	85,774	88,347	90,997	93,727	96,539	0	0	1,243,989
OTHER EXPENSES																				0
Total Expenses	**16,727**	**918,097**	**1,047,909**	**1,079,347**	**1,111,727**	**1,145,079**	**1,179,431**	**1,214,814**	**1,251,258**	**1,288,796**	**1,327,460**	**1,367,284**	**1,408,302**	**1,450,552**	**1,494,068**	**1,538,890**	**1,585,057**	**0**	**0**	20,424,798
Replacement Reserve (Funding Req.) @$300	950	52,144	59,516	61,302	63,141	65,035	66,986	68,996	71,066	73,198	75,394	77,656	79,985	82,385	84,856	87,402	90,024	0	0	1,160,036
Total Expenses including Replacement Reserve	**17,677**	**970,241**	**1,107,426**	**1,140,649**	**1,174,868**	**1,210,114**	**1,246,417**	**1,283,810**	**1,322,324**	**1,361,994**	**1,402,854**	**1,444,939**	**1,488,288**	**1,532,936**	**1,578,924**	**1,626,292**	**1,675,081**	**0**	**0**	21,584,834
NET OPERATING INCOME	**9,513**	**478,945**	**563,087**	**563,275**	**563,134**	**562,648**	**561,800**	**560,571**	**558,945**	**556,900**	**554,418**	**551,478**	**548,058**	**544,137**	**539,690**	**534,695**	**529,126**	**0**	**0**	8,780,421
ECR	1.54	1.49	1.51	1.49	1.48	1.46	1.45	1.44	1.42	1.41	1.40	1.38	1.37	1.35	1.34	1.33	1.32	0.00	0.00	
Req'd ECR 1.05 Cash needed for ECR	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
DEBT SERVICE (MUST-PAY))																				
First Mortgage Loan																				
Principal Pmt. - First Mortgage	0	28,469	59,670	63,508	67,593	71,941	76,568	81,493	86,735	92,314	98,252	104,571	111,298	118,457	126,076	134,185	142,816	0	0	1,463,946
Interest Pmt. - First Mortgage	0	220,569	438,406	434,568	430,483	426,135	421,508	416,583	411,341	405,762	399,824	393,504	386,778	379,619	372,000	363,890	355,259	0	0	6,256,227
Loan Servicing and/or MIP Fees	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total Debt Service - First Mortgage	0	249,038	498,076	498,076	498,076	498,076	498,076	498,076	498,076	498,076	498,076	498,076	498,076	498,076	498,076	498,076	498,076	0	0	7,720,173
Cash-flow after debt service - 1st	**9,513**	**229,907**	**65,012**	**65,199**	**65,058**	**64,572**	**63,724**	**62,496**	**60,869**	**58,825**	**56,343**	**53,403**	**49,983**	**46,061**	**41,614**	**36,619**	**31,050**	**0**	**0**	**1,060,248**
Debt coverage ratio after 1st mortgage	0.00	1.92	1.13	1.13	1.13	1.13	1.13	1.13	1.12	1.12	1.11	1.11	1.10	1.09	1.08	1.07	1.06	0.00	0.00	
Second Mortgage Loan																				
Principal Pmt. -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest Pmt. -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Loan Servicing and/or MIP Fees	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total Debt Service -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash-flow after debt service - 2nd	**9,513**	**229,907**	**65,012**	**65,199**	**65,058**	**64,572**	**63,724**	**62,496**	**60,869**	**58,825**	**56,343**	**53,403**	**49,983**	**46,061**	**41,614**	**36,619**	**31,050**	**0**	**0**	**1,060,248**
Debt coverage ratio (TIF Note only)	0.00	1.92	1.13	1.13	1.13	1.13	1.13	1.13	1.12	1.12	1.11	1.11	1.10	1.09	1.08	1.07	1.06	0.00	0.00	
Third Mortgage Loan																				
Principal Pmt. -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest Pmt. -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Loan Servicing and/or MIP Fees	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total Debt Service -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash-flow after debt service - 3rd	**9,513**	**229,907**	**65,012**	**65,199**	**65,058**	**64,572**	**63,724**	**62,496**	**60,869**	**58,825**	**56,343**	**53,403**	**49,983**	**46,061**	**41,614**	**36,619**	**31,050**	**0**	**0**	**1,060,248**
Debt coverage ratio after 3rd mortgage	0.00	1.92	1.13	1.13	1.13	1.13	1.13	1.13	1.12	1.12	1.11	1.11	1.10	1.09	1.08	1.07	1.06	0.00	0.00	
Fourth Mortgage Loan																				
Principal Pmt. -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest Pmt. -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Loan Servicing and/or MIP Fees	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total Debt Service -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash-flow after debt service - 4th	**9,513**	**229,907**	**65,012**	**65,199**	**65,058**	**64,572**	**63,724**	**62,496**	**60,869**	**58,825**	**56,343**	**53,403**	**49,983**	**46,061**	**41,614**	**36,619**	**31,050**	**0**	**0**	**1,060,248**
Debt coverage ratio after 4th mortgage	0.00	1.92	1.13	1.13	1.13	1.13	1.13	1.13	1.12	1.12	1.11	1.11	1.10	1.09	1.08	1.07	1.06	0.00	0.00	

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	0	0	TOTAL
Project Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	
Fifth Mortgage Loan																				
Principal Pmt. -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest Pmt. -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Loan Servicing and/or MIP Fees	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total Debt Service -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash-flow after debt service - 5th	**9,513**	**229,907**	**65,012**	**65,199**	**65,058**	**64,572**	**63,724**	**62,496**	**60,869**	**58,825**	**56,343**	**53,403**	**49,983**	**46,061**	**41,614**	**36,619**	**31,050**	**0**	**0**	**1,060,248**
Debt coverage ratio after 5th mortgage	0.00	1.92	1.13	1.13	1.13	1.13	1.13	1.13	1.12	1.12	1.11	1.11	1.10	1.09	1.08	1.07	1.06	0.00	0.00	
Req'd DSC	Cash needed for DSC																			0
																				0
																				0
Cash Flow From Operations for Construction Costs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Release of Operating Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash Flow After Required Payments & Funding of Operating Reserve	**9,513**	**229,907**	**65,012**	**65,199**	**65,058**	**64,572**	**63,724**	**62,496**	**60,869**	**58,825**	**56,343**	**53,403**	**49,983**	**46,061**	**41,614**	**36,619**	**31,050**	**0**	**0**	**1,060,248**
RESERVE WITHDRAWALS																				
1 Initial Operating Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2 Capitalized ACC Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3 Capitalized Rev Deficit Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4 Capitalized Lease-Up Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5 Other Reserves	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PAYMENTS CONTINGENT ON AVAILABLE CASH-FLOW																				
1 Annual NEFAsset Management Fee	9,513	19,261	19,839	20,434	21,047	21,678	22,329	22,999	23,689	24,399	25,131	25,885	26,662	27,462	28,285	29,134	30,008	0	0	397,755
2 Incentive Management Fee	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3 Deferred Developer Fee - Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4 Deferred Developer Fee - Principal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
16 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
18 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
21 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
22 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
23 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
24 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
25 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
26 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
27 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Remaining Cash	0	210,646	45,173	44,765	44,011	42,894	41,395	39,497	37,180	34,425	31,212	27,517	23,321	18,599	13,329	7,485	1,042	0	0	662,493

Excess Cash Allocation to Distributions																				
General Partner Share @ 0.01%	0	21	5	4	4	4	4	4	4	3	3	3	2	2	1	1	0	0	0	66
Limited Partner Share @ 99.99%	0	210,625	45,168	44,761	44,007	42,889	41,391	39,493	37,177	34,422	31,208	27,515	23,319	18,598	13,328	7,484	1,042	0	0	662,426

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Project Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	
Reserve Balances	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	2034	
Initial Operating Reserve		0	185,000	188,700	192,474	196,323	200,250	183,829	168,755	154,917	142,214	130,553	119,847	110,020	100,998	92,716	85,114	78,134	70,321	
Contributions to Operating Reserve	0	185,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Interest on Reserve Account	0	0	3,700	3,774	3,849	3,926	4,005	3,677	3,375	3,098	2,844	2,611	2,397	2,200	2,020	1,854	1,702	0	0	45,034
Withdrawal from Operating Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Other Use (Expense / Capitalized)	0	0	0	0	0	0	20,425	18,751	17,213	15,802	14,506	13,316	12,224	11,222	10,302	9,457	8,682	7,813		
Balance before Release	0	185,000	188,700	192,474	196,323	200,250	183,829	168,755	154,917	142,214	130,553	119,847	110,020	100,998	92,716	85,114	78,134	70,321	70,321	
Release of Operating Reserve to cash flow																				
Ending Balance	0	185,000	188,700	192,474	196,323	200,250	183,829	168,755	154,917	142,214	130,553	119,847	110,020	100,998	92,716	85,114	78,134	70,321	70,321	
	2%																			
Capitalized Replacement Reserve		950	53,111	113,690	177,265	243,952	313,866	348,417	381,943	414,583	446,465	477,709	508,427	538,723	568,694	598,431	628,022	657,546	591,791	
Interest on Reserve Account	0	17	1,062	2,274	3,545	4,879	6,277	6,968	7,639	8,292	8,929	9,554	10,169	10,774	11,374	11,969	12,560	0	0	116,283
Withdrawal from Replacement Reserve																				
Contributions to Replacement Reserve	950	52,144	59,516	61,302	63,141	65,035	66,986	68,996	71,066	73,198	75,394	77,656	79,985	82,385	84,856	87,402	90,024	0	0	
Other Use (Expense / Capitalized)	0	0	0	0	0	0	38,713	42,438	46,065	49,607	53,079	56,492	59,858	63,188	66,492	69,780	73,061	65,755	0	
Balance before Release																				
Release to cash flow																				
Ending Balance	950	53,111	113,690	177,265	243,952	313,866	348,417	381,943	414,583	446,465	477,709	508,427	538,723	568,694	598,431	628,022	657,546	591,791	591,791	
Capitalized ACC Reserve		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Contributions to Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Interest on Reserve Account	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Withdrawal from Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Other Use (Expense / Capitalized)																				
Balance before Release																				
Release of Reserve to cash flow																				
Ending Balance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	2%																			
Capitalized Rev Deficit Reserve		0	520,000	530,400	541,008	551,828	562,865	574,122	585,604	597,317	609,263	621,448	633,877	646,555	659,486	672,675	686,129	699,852	699,852	
Contributions to Reserve	0	520,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Interest on Reserve Account	0	0	10,400	10,608	10,820	11,037	11,257	11,482	11,712	11,946	12,185	12,429	12,678	12,931	13,190	13,454	13,723	0	0	179,852
Withdrawal from Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Other Use (Expense / Capitalized)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Balance before Release																				
Release of Reserve to cash flow																				
Ending Balance	0	520,000	530,400	541,008	551,828	562,865	574,122	585,604	597,317	609,263	621,448	633,877	646,555	659,486	672,675	686,129	699,852	699,852	699,852	
	2%																			
Insurance & Tax Escrow (Funding Not Req.)		0	300,000	306,000	312,120	318,362	324,730	331,224	337,849	344,606	351,498	358,528	365,698	373,012	380,473	388,082	395,844	209,720	209,720	
Interest on Reserve Account	0	0	6,000	6,120	6,242	6,367	6,495	6,624	6,757	6,892	7,030	7,171	7,314	7,460	7,609	7,762	7,917	0	0	103,761
Withdrawal from Ins & Tax Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	194,041	0	0	
Contributions to Ins & Tax Reserve	0	300,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Other Use (Expense / Capitalized)																			0	
Balance before Release																				
Release of Reserve to cash flow																				
Ending Balance	0	300,000	306,000	312,120	318,362	324,730	331,224	337,849	344,606	351,498	358,528	365,698	373,012	380,473	388,082	395,844	209,720	209,720	209,720	
	2%																			
Capitalized Lease-Up Reserve		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Contributions to Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Interest on Reserve Account	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Withdrawal from Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Other Use (Expense / Capitalized)																				
Balance before Release	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Release of Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Ending Balance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	2%																			
Other Reserves		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Contributions to Other Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Interest on Reserve Account	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Withdrawal from Other Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Other Use (Expense / Capitalized)																				
Balance before Release																				
Release of Operating Reserve to cash flow																				
Ending Balance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	2%																			

Year Placed in Service 2017

Use of Reserves Analysis

Operating Reserve	Used in yrs multiple of	5	% of balance used	10%	% of use capitalized	0%
Replacement Reserve	Used in yrs multiple of	5	% of balance used	10%	% of use capitalized	90%
Revenue Deficit Reserve	Used in yrs multiple of	20	% of balance used	50%	% of use capitalized	
Insurance & Tax Escrow Reserve	Used in yrs multiple of	15	% of balance used	50%	% of use capitalized	

		2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Use of Operating Reserve		0	0	0	0	0	0	20,425	18,751	17,213	15,802	14,506	13,316	12,224	11,222	10,302	9,457	8,682	7,813
Use of Replacement Reserve		0	0	0	0	0	0	38,713	42,438	46,065	49,607	53,079	56,492	59,858	63,188	66,492	69,780	73,061	65,755
Use of Revenue Deficit Reserve		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Use of Insurance & Tax Escrow Reserve		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	194,041	0
Total Uses of Reserves		0	0	0	0	0	0	59,138	61,189	63,278	65,409	67,585	69,808	72,083	74,410	76,794	79,237	275,783	73,568
Total Currently Expensed		0	0	0	0	0	0	24,297	22,994	21,820	20,762	19,814	18,966	18,210	17,541	16,951	16,435	210,029	14,389
Total Currently Capitalized		0	0	0	0	0	0	34,842	38,194	41,458	44,647	47,771	50,843	53,872	56,869	59,843	62,802	65,755	59,179
Cumulative Capitalized		0	0	0	0	0	0	34,842	73,036	114,494	159,141	206,912	257,754	311,627	368,496	428,339	491,141	556,896	616,075
Depreciation Taken	27.5	0	0	0	0	0	0	1,267	2,656	4,163	5,787	7,524	9,373	11,332	13,400	15,576	17,860	20,251	0
Remaining Capitalized Reserve Basis		0	0	0	0	0	0	33,575	69,113	106,408	145,268	185,514	226,984	269,525	312,994	357,261	402,204	447,708	506,887
Total Deduction for Use of Reserves		0	0	0	0	0	0	25,564	25,650	25,983	26,549	27,338	28,338	29,542	30,941	32,527	34,295	230,279	14,389

	Federal LIHTC			
	Total	Acquisition	Construction	
			100%	130%
Eligible Basis	36,643,035	0	0	36,643,035
Percentage of Cost with 130% Basis Boost	100.00%			
Res Portion of Solar Credits	0		0	0
Res Portion of Historic Rehab Credit	0		0	0
Subtotal	36,643,035	0	0	36,643,035
Less: Tax Exempt Bonds	0	0	0	0
Federal and Other Grants Off Basis	0	0	0	0
Other		0	0	0
Eligible Basis	**36,643,035**	**0**	**0**	**36,643,035**
Adjustment "Hard-to-Develop Area" or Qualified Census Tract		0.00%	100.00%	130.00%
Percentage of Historic Related Costs				
Adjusted Eligible Basis	47,635,946	0	0	47,635,946
Applicable Fraction		100.00%	100.00%	100.00%
Qualified Basis	**47,635,946**	**0**	0	**47,635,946**
Qualified Basis per Application		0	0	
Rate		3.22%	7.52%	7.52%
Annual LIHTC Amount Calculated	3,582,223	0	0	3,582,223
Actual Allocation	2,561,000	0	0	2,561,000
Used in Forecast (lessor)	2,561,000	0	0	2,561,000
Total Credits	25,610,000			

	No. of Units	Fraction	Total Sq Ft	Fraction
Low Income Apts	187	100.00%	208,350	100.00%
Market Rate Apts	0	0.00%	0	0.00%
Manager Unit	1			
TOTAL	188	100.00%	208,350	100.00%
Applicable fraction (the lesser of units or sq ft)				100.00%

50% Test	
Bond Analysis 50% Test (If Applicable)	
Total Tax Exempt Bond Proceeds	N/A
Add'l Const Period Bond Proceeds	
Total Project Basis	36,643,035
Bond Proceeds/Aggregate Basis	N/A

Project Assumptions

NEF Projections_Liberty Rising Phase 5 9%.xlsm
7/7/20155:45 PM

Project Description

Project Name	Liberty Rising Phase 5	
Limited Partnership Name	Liberty Rising Phase I, LLC	
Spreadsheet Purpose (Project Status)	Shelf	
Location		
Street Address	4751 NW 24th Court	
City	Miami	
State		FL
Zip Code	33142	
County	Miami-Dade	
Census Tract #		
Type	Urban	
Current Date	7/7/15	
Sponsor #1	Miami Redevelopment Partners, LLC	
Sponsor #1 - Tax Status	For Profit	
Sponsor #2		
Sponsor #2 - Tax Status		
Deal Source	NEF	
1 # of Residential Buildings	# Total Buildings	1
Total Number of Residential Units		187
Construction Type	New	
Target Population	Family	
Effective Tax Rate		35%
State Tax Rate (CA only)		
Rehab with Tenants in place?		N
4% or 9% credit deal?		9%
Tax exempt bond deal? (Y/N)		N
Use Building by Building Depreciation Schedule (Y/N)		
QCT / DDA (Indicate Which)	QCT	
130% Boost (enter %, 101% - 130%)		130%
Is 3rd party buying state credits ?		N
SMT #		
Date Deal Secured		
Building Type	Multifamily	

Timing Assumptions

NEF Admission to Partnership	1/1/16
NEF Initial Funding	1/1/16
Construction Start	1/1/16
Placed in Service	12/1/16
Permanent Loan Closing	6/1/17
Projected First Credit Year	2016
Sale of Project	12/31/32

Partnership Information

Is Developer Cash Basis? (Y/N)	N	
General Partner Tax Exempt (Y/N)	N	
Co-General Partner Tax Exempt (Y/N)	N	
Lower-Tier LP Profit/Loss & Credits Share	99.99%	
Lower-Tier GP Profit/Loss & Credit Share	0.01%	
Sale Proceeds Share - LP Portion	10.00%	
Sale Proceeds Share - GP Portion	90.00%	
Deferred Developer Fee Interest Rate		
Applicable Fed. Rate (AFR)	2.74%	Jul-15
Lower-Tier LP Cash Flow Distribution Percentage	99.99%	
Length of LURA	30	

Escalators

Annual Residential Rent Increase - LIHTC	2.00%
-Subsidized	2.00%
Annual Residential Rent Increase - Mkt	2.00%
Residential Vacancy Rate - LIHTC	7.00%
-Subsidized	7.00%
-Mkt	7.00%
Annual Commercial Rent Increase	2.00%
Commercial Vacancy Rate	7.00%
Alternate escalation table being used	
Other Income Growth Rate	2.00%
Annual Expense Increase	3.00%

Reserves and Fees

	Y/N	$ Amt or % of EGI	Accrue Fee/Funding (Y/N)	Interest Earnings Rate	Growth Rate	Estimated Reserve Amount per Unit	Target Reserve Amount
Annual Funding of Replacement Reserve	Y	56,100		2.00%	3.00%	$300	
Annual Funding of Operating Reserve				2.00%	3.00%		
Annual Funding of Rev Deficit Reserve				2.00%	3.00%		
Annual NEFAsset Management Fee	Y	18,700		2.00%	3.00%		
Annual Partnership Mgmt Fee to GP	Y	7,500		2.00%	3.00%		
Management Incentive Fee							
Annual Funding of Ins & Tax Escrow				2.00%	3.00%		
Annual Funding of Other Reserves				2.00%	3.00%		

Project Assumptions

NEF Projections_Liberty Rising Phase 5 9%.xlsm
7/7/20155:45 PM

Tax Credit Information				
Acquisition Credit Rate	3.22%	Date	7/1/15	
Construction / Rehab Credit Rate	7.52%	Date	7/1/15	
Credit Rate Locked-In? (Y/N)	N	Date		
Annual Tax Credit frm Tax Credit Res	$2,561,000		Year of allocation	2015
Annual Tax Credit - 2nd year allocation			Elected set-aside	
Total Annual Tax Credit Allocation	$2,561,000		($1,025,474)	Unallocated
Total Annual Rehab Credit Allocated	$2,561,000			
Total Annual Acq Credit Allocated	$0			
Total LIHTC Basis+Land+Commercial	36,686,523			
10% Carryover Test Required (Y/N)	N			
Due Date of 10% Carryover				
Eligible for Solar Credits? (Y/N)	N			
Eligible for Acquisition Credit? (Y/N)	N			
Eligible for Cal State Tax Credit? (Y/N)	N			
Tax Credit Allocated				
Eligible for State LIHTC Credit? (Y/N)	N			
Tax Credit Allocated				
State LIHTC Credit - Number of Years				
Eligible for Historic Rehab Credit? (Y/N)	N			
Eligible for State Historic Tax Credit? (Y/N)	N		Number of Years	
State Historic Credit Percentage				

Other Annual Income	
Laundry	14,400
Vending	
Other Income	
TOTAL	14,400

Is 168 election required

Tax Exempt Bond Financing	
Bond Issuer	
Credit Enhancement Type	
Enhancement Provided by	
Bond Purchaser:	
Date of Bond Issuance	
Are These Draw Down Bonds	

Peredevelopment loan

NEF Regional Team:	
VP Originations	Tony Lyons
VP Supportive Housing	
Originations Manager	Sandra Seals
Originations Analyst	
VP Project Management	
Project Manager	
Constructions Risk Manager	
VP Asset Management	
Asset manager	

Project Characteristics Choose all that apply

Unit Mix & Rents

# Bdrms	# Bath rooms	Description	# Units	Median Income Targeted	Description of Units	Developer Rent	NEF LIHTC Rent	HUD FMR	S8 Pymt Standard	Tenant Pd Utility	Market Units Rent	Average Market Rent	During Contract	After Contract	Subsidy Type	Term (yrs)	Stressed Term (yrs)	Monthly Comm Income	Total Monthly Income	Stressed Income Escalator	Sq Ft / Unit	Total Sq Ft	Max LIHTC Rent @ target AMI	% of Rent Below LIHTC Max	After Contract Rent % Below LIHTC Max	Rent As Max % of Income	% of AMI of After Contract Rents	% of Rent Below Avg Market Rent
1	1.0	LIHTC Subsidized	6	50%		519	519			66					Section 9	40			3,114	2.00%	650	3,900	635	8%		62.5%		#DIV/0!
1	1.0	LIHTC Subsidized	17	50%						66.00			932	932	ction 8 - PHA Project Based Vouch	15	5		15,844	2.00%	650	11,050	635	-57%	-57%	106.7%	107%	#DIV/0!
2	2.0	LIHTC Subsidized	55	50%		519	519			84.00					Section 9	40			28,545	2.00%	1,100	60,500	762	21%		53.7%		#DIV/0!
2	2.0	LIHTC Subsidized	34	50%						84.00			1,194	1,194	ction 8 - PHA Project Based Vouch	15	5		40,596	2.00%	1,100	37,400	762	-68%	-68%	113.8%	114%	#DIV/0!
3	2.0	LIHTC Subsidized	27	50%		519	519			105.00					Section 9	40			14,013	2.00%	1,250	33,750	880	29%		48.1%		#DIV/0!
3	2.0	LIHTC Subsidized	17	50%						105.00			1,648	1,648	ction 8 - PHA Project Based Vouch	15	5		28,016	2.00%	1,250	21,250	880	-99%	-99%	135.1%	135%	#DIV/0!
4	2.0	LIHTC Subsidized	21	50%		519	519			137.00					Section 9	40			10,899	2.00%	1,350	28,350	982	33%		45.3%		#DIV/0!
5	2.0	LIHTC Subsidized	9	50%						137.00					Section 9	40			0	2.00%	1,350	12,150	1,083	87%		8.6%		#DIV/0!
2	2.0	Manager	1	50%		519	519												519	2.00%	1,100	1,100				46.2%		#DIV/0!
																				2.00%								
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																40	5											

Total Units	187	
Commercial Units	0	
Residential Units	187	
Manager Units	1	http://www.huduser.org/portal/datasets/mtsp.html

Percent Residential 100.00%
BE Occupancy 90.15%

HUD Income	
Median Income / Family of 4	49,900
As Of (Date)	3/6/15
Location	Miami Dade County
AMI source	HUD

Date AMI checked 7/6/15
Rent floor election year

	LIHTC	Market	Commercial	Subsidized	TOTAL	Garages	Day Care Bldg
Total Units	1	0	0	186	187		
Monthly Rent	57,090	0	0	84,456	141,546		
Annual Rent	685,080	0	0	1,013,472	1,698,552	0	0
Total RentableSq Ftg	0	0	0	208,350	208,350		

0	Total Commercial Sq Ft
	Is Commercial Space a Master Lease (Y/N)
0	Commercial Rent per Sq Ft
	Type of Lease NN or NNN)
	Is Commercial Space Eligible for Historic Credits

	Utilities	Source	Date
Tenant Paid	Gas & Electric	PHCD	
Owner Paid	Trash and Water	PHCD	

AMI Analysis		% Change
2006	55,900	
2007	45,200	-19.14%
2008	49,200	8.85%
2009	50,800	3.25%
2010	52,200	2.76%
2011	51,900	-0.57%
2012	52,600	1.35%
2013	49,000	-6.84%
2014	48,400	-1.22%
2015	49,900	3.10%
2016		0.00%
		-0.94%

Source huduser.org

4 person very low income 33,850

Max LIHTC Income and Rents

# BDRMS	Family Size	Adj Factor	50% Income	50% Rent	60% Income	60% Rent	Income	Rent	Income	Rent	Income	Rent	Income	Rent
0	1	0.70	23,695	592	28,434	711	0	0	0	0	0	0	0	0
1	1.5	0.75	25,388	635	30,465	762	0	0	0	0	0	0	0	0
	2	0.80	27,080	677	32,496	812	0	0	0	0	0	0	0	0
2	3	0.90	30,465	762	36,558	914	0	0	0	0	0	0	0	0
	4	1.00	33,850	846	40,620	1,016	0	0	0	0	0	0	0	0
3	4.5	1.04	35,204	880	42,245	1,056	0	0	0	0	0	0	0	0
	5	1.08	36,558	914	43,870	1,097	0	0	0	0	0	0	0	0
4	6	1.16	39,266	982	47,119	1,178	0	0	0	0	0	0	0	0
	7	1.24	41,974	1,049	50,369	1,259	0	0	0	0	0	0	0	0
5	7.5	1.28	43,328	1,083	51,994	1,300	0	0	0	0	0	0	0	0
	8	1.32	44,682	1,117	53,618	1,340	0	0	0	0	0	0	0	0

1.13

% of funding	Required Loans / Source of Funds / Lender Name	Principal	Debt / Unit	Payment Type	Interest Rate	Perm Loan Closing Date	1st Pay Date	Amort Yrs	Term Yrs	Recourse Y/N)	Sponsor/Related Party	Is lender related to investor	Source	Conversion Requirements
16.57%	First Mortgage	6,930,000	37,059	Amortizing	6.25%	6/1/17	7/1/17	35	35	N	N	N	Private Lender	
0.00%			0											
0.00%			0											
0.00%			0											
0.00%			0											
		6,930,000	**37,059**											
	Contingent Loans / Lender Name													
5.41%	County General Obligation Bonds	2,263,365	12,104	Amortizing	2.37%	1/1/16	2/1/16	35	35	N	N		County Loan Sources	
2.62%	PHCD Documentary Surtax Fund	1,097,345	5,868	Amortizing	2.37%	1/1/16	2/1/16	35	35	N	N		County Loan Sources	
3.50%	PHCD CFFP	1,462,127	7,819	Amortizing	2.37%	1/1/16	2/1/16	35	35	N	N		County Loan Sources	
4.54%	Other Public and Private Funds	1,900,000	10,160	Amortizing	2.37%	1/1/16	2/1/16	35	35	N	N		Other	
0.00%			0											
0.00%			0											
0.00%			0											
0.00%			0											
	Subtotal Contingent Loans	**6,722,837**	**35,951**											

	Grants		Comments	Fed Grant ? (Y/N)
0.00%				
0.00%				
	Subtotal Grants	**0**		

	Other Sources		Comments			
0.00%	State Tax Equity Provider	0				
0.00%	Cash Flow from Operations	0	Percentage of cash flow from operations to fund deal	0%	No of Yrs	2
0.00%						
0.00%						
0.00%						
0.00%						
0.00%	GP Capital					
0.00%	Developer Fee via Cash Flow	0	0 Year DDF Paid Off			
67.35%	NEF Equity	28,168,183	DDF paid on RA page			
	Subtotal Other Sources	**28,168,183**				
100.00%	**Total Sources**	**41,821,020**				

Construction Financing

Construction Lender	Principal	Interest Rate	Conversion Date	Maturity Date	Comments	Bond Financing (Y/N)
First Mortgage	15,384,698	6.25%	6/1/17	6/1/17		

Development Costs

Uses of Funds		Total	Per Sq Ft	Per Unit	Depreciable Basis	NC/Rehab Eligible Basis	Acquisition Eligible Basis	Commercial Costs	Non-Depreciable	Amortized	Yrs	Expensed	Historic Basis	Bond Basis	Check	Comments
Land	0%		0	0	0	X	0	0	0	0		0	X	0	0	
Building	0		0	0	0	X	0	0	0	0	0	0	X	0	0	
Acquisition Legal Costs			0	0	0	X	0	0	0	0		0	X	0	0	
Other acquisition costs - holding costs			0	0	0	X	0	0	0	0		0	X	0	0	
Other acquisition costs			0	0	0	X	0	0	0	0		0	X	0	0	
Off-Site Improvements		1,860,000	9	9,947	0	X	0	0	1,860,000	0		0	X	0	0	
Site Work - Bldg Life Depr (Utility & Sewer Lines)			0	0	0	0	0	0	0	0		0	X	0	0	
Site Work - Non Depr (Grading, Demolition, Land Clearing)		899,496	4	4,810	0	0	0	0	899,496	0		0	X	0	0	
Site Work - 15 Year Depr (Landscaping, fine grading, sidewalks)			0	0	0	0	0	0	0	0		0	X	0	0	
Basic Construction Retention %		22,379,745	107	119,678	22,379,745	22,379,745	0	0	0	0		0	0	22,379,745	0	
Personal Property			0	0	0	0	0	0	0	0		0		0	0	
Gen. Req., Builder's OH & Profit	14.04%	3,268,101	16	17,476	3,268,101	3,268,101	0	0	0	0		0	0	3,268,101	0	
Other Construction Hard Costs - Solar			0	0	0	0	0	0	0	0		0	0	0	0	
Other Construction Hard Costs			0	0	0	0	0	0	0	0		0	0	0	0	
Other Construction Hard Costs			0	0	0	0	0	0	0	0		0	0	0	0	
CONSTRUCTION CONTINGENCY	4.42%	1,256,962	6	6,722	1,256,962	1,256,962	0	0	0	0		0	0	1,256,962	0	
Payment and Performance Bond		251,392	1	1,344	251,392	251,392	0	0	0	0		0	0	251,392	0	
Architect/Design		670,000	3	3,583	670,000	670,000	0	0	0	0		0	0	670,000	0	
Construction Management/Architect Supervision		180,000	1	963	180,000	180,000	0	0	0	0		0	0	180,000	0	
Construction Permits and Fees			0	0	0	0	0	0	0	0		0	0	0	0	
Lender or NEF Inspection fee		16,000	0	86	16,000	16,000	0	0	0	0		0	0	16,000	0	
Engineering		360,000	2	1,925	360,000	360,000	0	0	0	0		0	0	360,000	0	
Environmental Reporting and Abatement		25,000	0	134	25,000	25,000	0	0	0	0		0	0	25,000	0	
Geotechnical Study/Soil Borings		70,000	0	374	70,000	70,000	0	0	0	0		0	0	70,000	0	
Other Construction Soft Costs		75,000	0	401	75,000	75,000	0	0	0	0		0	0	75,000	0	
Other Construction Soft Costs			0	0	0	0	0	0	0	0		0	0	0	0	
Construction Loan Origination Fee		294,899	1	1,577	294,899	294,899	0	0	0	0	20	0	0	294,899	0	
CONSTRUCTION LOAN INTEREST IN BASIS	505,474	396,314	2	2,119	396,314	396,314	0	0	0	0		0	0	396,314	0	
CONSTRUCTION LOAN INTEREST EXPENSED		805,616	4	4,308	0	0	0	0	0	0		805,616	0	0	0	
Construction Period RE Taxes		60,000	0	321	60,000	60,000	0	0	0	0		0	0	60,000	0	
Construction Period Insurance		650,000	3	3,476	650,000	650,000	0	0	0	0		0	0	650,000	0	
Other Misc Construction Related:			0	0	0	0	0	0	0	0		0	0	0	0	
Appraisal		13,000	0	70	13,000	13,000	0	0	0	0		0	0	13,000	0	
Market Study		12,000	0	64	12,000	12,000	0	0	0	0		0	0	12,000	0	
Survey		30,000	0	160	30,000	30,000	0	0	0	0		0	0	30,000	0	
Predevelopment Loan Interest and Fees			0	0	0	0	0	0	0	0	15	0	0	0	0	
Consulting Fees			0	0	0	0	0	0	0	0	15	0	0	0	0	
"Project" Bridge Loan Interest in Basis			0	0	0	0	0	0	0	0		0	0	0	0	
Loan Origination Fee - Permanent			0	0	0	0	0	0	0	0	35	0	0	0	0	
Title & Recording		180,000	1	963	162,000	162,000	0	0	18,000	0	10	0	0	162,000	0	
Legal - Syndication/Organization		0	0	0	0	0		0	0	0	15	0	0	0	0	
Legal - Bond/Perm Loan			0	0	0	0	0	0	0	0	35	0	0	0	0	
Legal - Construction		255,000	1	1,364	255,000	255,000	0	0	0	0		0	0	255,000	0	
Due Diligence - NEF		52,000	0	278	0	0	0	0	52,000	0		0	0	0	0	
Tax Credit Allocation Fee		204,880	1	1,096	0	0	0	0	0	204,880	10	0	0	0	0	
Tax Credit Compliance Fees		109,505	1	586	0	0	0	0	0	109,505	10	0	0	0	0	
Lease-up and Marketing Costs		143,000	1	765	0	0	0	0	0	143,000	1	0	0	0	0	
Accounting/Post Const. Audit		35,000	0	187	0	0	0	0	0	0		35,000	0	0	0	
Soft Cost Contingency		287,582	1	1,538	287,582	287,582	0	0	0	0		0	0	287,582	0	
Other Soft Costs		21,933	0	117	21,933	21,933	0	0	0	0	2	0	0	21,933	0	
Other Soft Costs		338,505	2	1,810	338,505	338,505	0	0	0	0		0	0	338,505	0	
Other Soft Costs		250,000	1	1,337	250,000	250,000	0	0	0	0		0	0	250,000	0	
Developer Fee - Construction	100%	5,363,090	26	28,680	5,363,090	5,363,090	0	0	0	0		0	0	5,363,090	0	
Developer Fee - Acquisition	0%		0	0	0		0	0	0	0		0	0	0	0	
Developer Fee - Other			0	0	0	0	0	0	0	0		0	0	0	0	
Initial Operating Reserve	1.45	185,000	1	989	0	0	0	0	185,000	0		0	X	0	0	
Capitalized Replacement Reserve	0		0	0	0	0	0	0	0	0		0	X	0	0	
Capitalized ACC Reserve			0	0	0	0	0	0	0	0		0	X	0	0	
Capitalized Rev Deficit Reserve	4	520,000	2	2,781	0	0	0	0	520,000	0		0	X	0	0	
Capitalized Ins & Tax Escrow		300,000	1	1,604	0	0	0	0	300,000	0		0	X	0	0	
Capitalized Lease-Up Reserve			0	0	0	0	0	0	0	0		0	X	0	0	
Other Reserves			0	0	0	0	0	0	0	0		0	X	0	0	
Other Reserves			0	0	0	0	0	0	0	0		0	X	0	0	
Other Reserves				0	0	0	0	0	0	0		0	X	0	0	
Accrued Contingent Loan Interest		114,301			0	0	0	0	0	0		0	0	0	114,301	
Total Uses		41,819,020	201	223,631	36,686,523	36,686,523	0	0	3,834,496	457,385		840,616	0	36,686,523	0	

Sources/Uses Surplus (Gap)	2,000

Lease-Up Schedule / Credit Delivery

Number of Residential Units	187	First Building Placed in Service	12/1/16	Acquisition Credits Allocated/yr	0
Number of Tax Credit Units	187	Last Building Placed in Service	12/1/16	LIHTCs Allocated @ 100%/yr	0
Number of Market Units	0	Construction Contract Completion Date		LIHTCs Allocated @ 130%/yr	2,561,000
Commercial Square Footage	0			Cal State Credits Allocated @ 100%	0
Square Footage of Building	208,350			Cal State Credits Allocated @ 130%	0
Start of Construction	1/1/16			State Credits Allocated	0
Completion/CofO/Placed in Service	12/1/16			Historic Credits Allocated	0
Start of Leasing/Move-in Date	12/1/16	Absorption (avg units/month) per market study	50	State Historic Credits Allocated	0
100% Lease-Up/Qualified Occupancy	4/1/17	Absorption (avg units/month) per model	37	Solar Credits	0
Start of QO Tax Credit Units PIS	12/1/2016				
Construction Period	11				

Year	Tax Credit Units Leased (Income)	Cumulative TC Units Leased	Tax Credit Units Leased (Credits)	Non TC Units Leased	Cumulative Non TC Units Leased	Commercial Sq Ft Leased	Tax Credit Rental Income	Commercial Income	Non Tax Credit Rental Income	Total Rental Income	Rehab Tax Credits	Acq Tax Credits	Total Tax Credits
Jan-16		0			0		0	0	0	0	0	0	0
Feb-16		0			0		0	0	0	0	0	0	0
Mar-16		0			0		0	0	0	0	0	0	0
Apr-16		0			0		0	0	0	0	0	0	0
May-16		0			0		0	0	0	0	0	0	0
Jun-16		0			0		0	0	0	0	0	0	0
Jul-16		0			0		0	0	0	0	0	0	0
Aug-16		0			0		0	0	0	0	0	0	0
Sep-16		0			0		0	0	0	0	0	0	0
Oct-16		0			0		0	0	0	0	0	0	0
Nov-16		0			0		0	0	0	0	0	0	0
Dec-16	37	37	37		0		28,006	0	0	28,006	42,227	0	42,227
TOTAL	**37**	**37**	**37**	**0**	**0**		**28,006**	**0**	**0**	**28,006**	**42,227**	**0**	**42,227**

Year	Tax Credit Units Leased (Income)	Cumulative Tax Credit Units Leased	Tax Credit Units Leased (Credits)	Non Tax Credit Units Leased	Cumulative Non Tax Credit Units	Commercial Sq FT Leased	Tax Credit Rental Income	Commercial Income	Non Tax Credit Rental Income	Total Rental Income	Rehab Tax Credits	Acq Tax Credits	Total Tax Credits
Jan-17	37	74	37		0		56,013	0	0	56,013	506,722	0	506,722
Feb-17	37	111	37		0		84,019	0	0	84,019	464,495	0	464,495
Mar-17	37	148	37		0		112,026	0	0	112,026	422,268	0	422,268
Apr-17	39	187	39		0		141,546	0	0	141,546	400,584	0	400,584
May-17		187			0		141,546	0	0	141,546	0	0	0
Jun-17		187			0		141,546	0	0	141,546	0	0	0
Jul-17		187			0		141,546	0	0	141,546	0	0	0
Aug-17		187			0		141,546	0	0	141,546	0	0	0
Sep-17		187			0		141,546	0	0	141,546	0	0	0
Oct-17		187			0		141,546	0	0	141,546	0	0	0
Nov-17		187			0		141,546	0	0	141,546	0	0	0
Dec-17		187			0		141,546	0	0	141,546	0	0	0
Credits from QO Units PIS in 2016											**506,722**	**0**	**506,722**
TOTAL	**150**	**187**	**150**	**0**	**0**		**1,525,972**	**0**	**0**	**1,525,972**	**2,300,791**	**0**	**2,300,791**

Lease-Up Schedule / Credit Delivery

Year	Tax Credit Units Leased (Income)	Cumulative Tax Credit Units Leased	Tax Credit Units Leased (Credits)	Non Tax Credit Units Leased	Cumulative Non Tax Credit Units	Commercial Sq FT Leased	Tax Credit Rental Income	Commercial Income	Non Tax Credit Rental Income	Total Rental Income	Rehab Tax Credits	Acq Tax Credits	Total Tax Credits
Jan-18		187			0		141,546	0	0	141,546	0	0	0
Feb-18		187			0		141,546	0	0	141,546	0	0	0
Mar-18		187			0		141,546	0	0	141,546	0	0	0
Apr-18		187			0		141,546	0	0	141,546	0	0	0
May-18		187			0		141,546	0	0	141,546	0	0	0
Jun-18		187			0		141,546	0	0	141,546	0	0	0
Jul-18		187			0		141,546	0	0	141,546	0	0	0
Aug-18		187			0		141,546	0	0	141,546	0	0	0
Sep-18		187			0		141,546	0	0	141,546	0	0	0
Oct-18		187			0		141,546	0	0	141,546	0	0	0
Nov-18		187			0		141,546	0	0	141,546	0	0	0
Dec-18		187			0		141,546	0	0	141,546	0	0	0
Credits from QO Units PIS in 2016											**506,722**	**0**	**506,722**
Credits from QO Units PIS in 2017											**2,054,278**	**0**	**2,054,278**
TOTAL	**0**	**187**	**0**	**0**	**0**		**1,698,552**	**0**	**0**	**1,698,552**	**2,561,000**	**0**	**2,561,000**
		units agree	units agree		units agree	sq ft agrees							

	Credits	Price/Credit	Equity
Federal LIHTC Credits	25,607,439	1.100	28,168,183
Federal Historic Tax Credits	0		0
State LIHTC Credits Purchased by NEF	0		0
State Historic Credits Purchased by NEF	0		0
Solar Credits	0		0
Total Limited Partner Equity			**28,168,183**

"

State LIHTC Credits Purchased by a 3rd Party	
3rd Party Buyer	
State Historic Credits Purchased by a 3rd Party	
3rd Party Buyer	
Total	**28,168,183**

Equity Installments

Payment	Project Milestone	Date	Qtr Paid	Development Costs Percent	Project Cost	Developer Fee Percent	Developer Fee	Total Reserves Payment	NEF Reserves	Total Equity Paid	Total Equity Percent	3rd Party Equity	NEF and 3rd Party EQUITY
1	NEF Closing/Construction Start	1/1/16	3/31/16	6.77%	1,476,045	25.00%	1,340,773		0	2,816,818	10.00%	0	2,816,818
2	25% Construction Complete	4/1/16	6/30/16	25.84%	5,633,637		0		0	5,633,637	20.00%	0	5,633,637
3	50% Construction Complete	8/1/16	9/30/16	25.84%	5,633,637		0		0	5,633,637	20.00%	0	5,633,637
4	75% Construction Complete	10/1/16	12/31/16	25.84%	5,633,637		0		0	5,633,637	20.00%	0	5,633,637
5	100% Construction Complete/ Placed in Service/ CO	12/1/16	12/31/16	15.70%	3,423,138	41.22%	2,210,499		0	5,633,637	20.00%	0	5,633,637
6	Stabilization / Conversion / Final Cost Cert / 8609	6/1/17	6/30/17		0	33.78%	1,811,818	1,005,000	1,005,000	2,816,818	10.00%	0	2,816,818
7	Tax Return				0		0		0	0	0.00%	0	0
8					0		0		0	0	0.00%	0	0
9					0		0		0	0	0.00%	0	0
10					0		0		0	0	0.00%	0	0
TOTAL				100.00%	21,800,093	100.00%	5,363,090	1,005,000	1,005,000	28,168,183	100.00%	0	28,168,183
					21,800,093					Equity Agrees		Equity Agrees	

Developer Fee	
Maximum Deferred Fee Percentage	50.00%
Developer Fee	5,363,090
From Cash Flow	0
From Equity	5,363,090
Percentage of Fee Deferred	0.00%

Operating Expenses

	Units 187	Annual Expense	Per Unit	Escalator	Comments	calculated property mgmt fee	alternate property mgmt fee calculation
General & Administrative	Property Management Fee	99,631	533	3.00%		6.38%	
	Misc. Prop. Mgmt. Fees		0	3.00%			
	Accounting/Auditing		0	3.00%			99,631
	Legal		0	3.00%			
	Office Supplies & Expense		0	3.00%			
	Telephone Answering Service		0	3.00%			
	Other - LIHTC Compliance Monitoring		0	3.00%			
	Other - Misc. Admin.		0	3.00%			
		99,631	533				
Payroll & Related	Administrative Payroll		0	3.00%			
	Maintenance Payroll		0	3.00%			
	Repair Payroll		0	3.00%			
	Payroll Taxes		0	3.00%			
	Fringe Benefits		0	3.00%			
	Other		0	3.00%			
		0	0				
						Owner Paid	Tenant Paid
Utilities	Electric (Common Area)		0	3.00%			
	Gas/Fuel Oil/Coal (Common Area)		0	3.00%			
	Water & Sewer		0	3.00%			
	Electric (for Units)		0	3.00%			
	Gas/Fuel Oil/Coal (for Units)		0	3.00%			
	Other		0	3.00%			
		0	0				
Maintenance & Repair	Cleaning (Janitorial)		0	3.00%			
	Elevator Maintenance		0	3.00%			
	Exterminating		0	3.00%			
	Fire Alarm Inspection		0	3.00%			
	Grounds Maintenance	827,200	4,424	3.00%			
	Grounds Maintenance Contract		0	3.00%			
	Painting & Decorating/Make-ready		0	3.00%			
	Repairs		0	3.00%			
	Repairs Contract		0	3.00%			
	Security		0	3.00%			
	Supplies		0	3.00%			
	Trash Removal/Snow Removal		0	3.00%			
	Vehicle/Equipment Maintenance		0	3.00%			
	Other - Misc Ops and Maint Expenses		0	3.00%			
	Reserves		0	3.00%			
		827,200	4,424				
Market & Leasing	Advertising		0	3.00%			
	Credit Investigations		0	3.00%			
	Leasing Fees		0	3.00%			
	Other		0	3.00%			
		0	0				
Taxes & Insurance	Insurance - Liability		0	3.00%			
	Other Taxes, Licenses & Fees		0	3.00%			
	Real Estate Taxes	60,160	322	3.00%			
	Property/Liability (Hazard)		0	3.00%			
	Other		0	3.00%			
		60,160	322				

Total Annual Operating Budget 986,991

Annual Operating Budget per Unit (PUPA) **5,278**

Is the project providing a washer/dryer in unit(s) Y/N

Which units are provided w/washer & dryer

Cash Flow

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	Sale 2032	0	0	TOTAL
Project Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	
% of Year in Operation	1.65%	89.84%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	0.00%	0.00%	
LIHTC and Subsidized Vacancy Override																				
INCOME																				
Gross Rent Paid - LIHTC Units 2.00%	11,296	615,473	712,757	727,012	741,553	756,384	771,511	786,942	802,680	818,734	835,109	851,811	868,847	886,224	903,949	922,027	940,468	0	0	12,952,777
Gross Rent Paid - Sub Units Increase 2.00%	16,711	910,499	1,054,416	1,075,505	1,097,015	1,118,955	1,141,334	1,164,161	1,187,444	1,211,193	1,235,417	1,260,125	1,285,328	1,311,034	1,337,255	1,250,333	0	0	0	17,656,723
Gross Rent Paid - After Contract 2.00%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	113,667	1,391,280	0	0	1,504,947
Market Rent	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Gross Residential Income	**28,006**	**1,525,972**	**1,767,174**	**1,802,517**	**1,838,567**	**1,875,339**	**1,912,845**	**1,951,102**	**1,990,124**	**2,029,927**	**2,070,525**	**2,111,936**	**2,154,175**	**2,197,258**	**2,241,203**	**2,286,027**	**2,331,748**	**0**	**0**	32,114,446
LIHTC Vacancy @ 7.0%	(791)	(43,083)	(49,893)	(50,891)	(51,909)	(52,947)	(54,006)	(55,086)	(56,188)	(57,311)	(58,458)	(59,627)	(60,819)	(62,036)	(63,276)	(64,542)	(65,833)	0	0	(906,694)
Subsidized Residential Vacancy @ 7.0%	(1,170)	(63,735)	(73,809)	(75,285)	(76,791)	(78,327)	(79,893)	(81,491)	(83,121)	(84,783)	(86,479)	(88,209)	(89,973)	(91,772)	(93,608)	(95,480)	(97,390)	0	0	(1,341,317)
Market Residential Vacancy @ 7.0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Income / yr @ 2% increase / yr	237	13,196	14,982	15,281	15,587	15,899	16,217	16,541	16,872	17,209	17,554	17,905	18,263	18,628	19,000	19,381	19,768	0	0	272,519
Other Income Vacancy @ 7.0%	(17)	(924)	(1,049)	(1,070)	(1,091)	(1,113)	(1,135)	(1,158)	(1,181)	(1,205)	(1,229)	(1,253)	(1,278)	(1,304)	(1,330)	(1,357)	(1,384)	0	0	(19,076)
Commercial @ 2% increase / yr	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Commercial Vacancy @ 7.0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Income																				0
Total Effective Gross Income from Project	**26,267**	**1,431,426**	**1,657,404**	**1,690,552**	**1,724,364**	**1,758,851**	**1,794,028**	**1,829,908**	**1,866,507**	**1,903,837**	**1,941,913**	**1,980,752**	**2,020,367**	**2,060,774**	**2,101,990**	**2,144,029**	**2,186,910**	**0**	**0**	30,119,878
EXPENSES																				
GENERAL & ADMINISTRATIVE	1,643	92,193	105,699	108,869	112,136	115,500	118,965	122,534	126,210	129,996	133,896	137,913	142,050	146,311	150,701	155,222	159,879	0	0	2,059,714
PAYROLL & RELATED	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
UTILITIES	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
MAINTENANCE & REPAIR	13,639	765,448	877,576	903,904	931,021	958,952	987,720	1,017,352	1,047,872	1,079,308	1,111,688	1,145,038	1,179,389	1,214,771	1,251,214	1,288,751	1,327,413	0	0	17,101,056
MARKETING & LEASING	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TAXES & INSURANCE	992	55,669	63,824	65,738	67,711	69,742	71,834	73,989	76,209	78,495	80,850	83,276	85,774	88,347	90,997	93,727	96,539	0	0	1,243,713
OTHER EXPENSES																				0
Total Expenses	**16,274**	**913,310**	**1,047,099**	**1,078,512**	**1,110,867**	**1,144,193**	**1,178,519**	**1,213,874**	**1,250,291**	**1,287,799**	**1,326,433**	**1,366,226**	**1,407,213**	**1,449,430**	**1,492,912**	**1,537,700**	**1,583,831**	**0**	**0**	20,404,483
Replacement Reserve (Funding Req.) @$300	925	51,912	59,516	61,302	63,141	65,035	66,986	68,996	71,066	73,198	75,394	77,656	79,985	82,385	84,856	87,402	90,024	0	0	1,159,779
Total Expenses including Replacement Reserve	**17,199**	**965,222**	**1,106,615**	**1,139,814**	**1,174,008**	**1,209,228**	**1,245,505**	**1,282,870**	**1,321,356**	**1,360,997**	**1,401,827**	**1,443,882**	**1,487,198**	**1,531,814**	**1,577,769**	**1,625,102**	**1,673,855**	**0**	**0**	21,564,262
NET OPERATING INCOME	**9,068**	**466,204**	**550,789**	**550,739**	**550,355**	**549,622**	**548,523**	**547,038**	**545,150**	**542,840**	**540,086**	**536,870**	**533,168**	**528,960**	**524,221**	**518,928**	**513,055**	**0**	**0**	8,555,615
ECR	1.53	1.48	1.50	1.48	1.47	1.45	1.44	1.43	1.41	1.40	1.39	1.37	1.36	1.35	1.33	1.32	1.31	0.00	0.00	
Req'd ECR 1.05 Cash needed for ECR	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
DEBT SERVICE (MUST-PAY))																				
First Mortgage Loan																				
Principal Pmt. - First Mortgage	0	27,905	58,488	62,251	66,255	70,516	75,052	79,879	85,017	90,486	96,306	102,501	109,094	116,111	123,579	131,528	139,988	0	0	1,434,957
Interest Pmt. - First Mortgage	0	216,201	429,724	425,962	421,958	417,697	413,161	408,333	403,195	397,727	391,907	385,712	379,119	372,102	364,633	356,685	348,225	0	0	6,132,342
Loan Servicing and/or MIP Fees	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total Debt Service - First Mortgage	0	244,106	488,213	488,213	488,213	488,213	488,213	488,213	488,213	488,213	488,213	488,213	488,213	488,213	488,213	488,213	488,213	0	0	7,567,298
Cash-flow after debt service - 1st	**9,068**	**222,098**	**62,576**	**62,526**	**62,143**	**61,410**	**60,310**	**58,825**	**56,937**	**54,627**	**51,874**	**48,657**	**44,956**	**40,747**	**36,008**	**30,715**	**24,842**	**0**	**0**	**988,317**
Debt coverage ratio after 1st mortgage	0.00	1.91	1.13	1.13	1.13	1.13	1.12	1.12	1.12	1.11	1.11	1.10	1.09	1.08	1.07	1.06	1.05	0.00	0.00	
Second Mortgage Loan																				
Principal Pmt. -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest Pmt. -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Loan Servicing and/or MIP Fees	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total Debt Service -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash-flow after debt service - 2nd	**9,068**	**222,098**	**62,576**	**62,526**	**62,143**	**61,410**	**60,310**	**58,825**	**56,937**	**54,627**	**51,874**	**48,657**	**44,956**	**40,747**	**36,008**	**30,715**	**24,842**	**0**	**0**	**988,317**
Debt coverage ratio (TIF Note only)	0.00	1.91	1.13	1.13	1.13	1.13	1.12	1.12	1.12	1.11	1.11	1.10	1.09	1.08	1.07	1.06	1.05	0.00	0.00	
Third Mortgage Loan																				
Principal Pmt. -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest Pmt. -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Loan Servicing and/or MIP Fees	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total Debt Service -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash-flow after debt service - 3rd	**9,068**	**222,098**	**62,576**	**62,526**	**62,143**	**61,410**	**60,310**	**58,825**	**56,937**	**54,627**	**51,874**	**48,657**	**44,956**	**40,747**	**36,008**	**30,715**	**24,842**	**0**	**0**	**988,317**
Debt coverage ratio after 3rd mortgage	0.00	1.91	1.13	1.13	1.13	1.13	1.12	1.12	1.12	1.11	1.11	1.10	1.09	1.08	1.07	1.06	1.05	0.00	0.00	
Fourth Mortgage Loan																				
Principal Pmt. -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest Pmt. -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Loan Servicing and/or MIP Fees	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total Debt Service -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash-flow after debt service - 4th	**9,068**	**222,098**	**62,576**	**62,526**	**62,143**	**61,410**	**60,310**	**58,825**	**56,937**	**54,627**	**51,874**	**48,657**	**44,956**	**40,747**	**36,008**	**30,715**	**24,842**	**0**	**0**	**988,317**
Debt coverage ratio after 4th mortgage	0.00	1.91	1.13	1.13	1.13	1.13	1.12	1.12	1.12	1.11	1.11	1.10	1.09	1.08	1.07	1.06	1.05	0.00	0.00	

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	0	0	TOTAL
Project Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	
Fifth Mortgage Loan																				
Principal Pmt. -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest Pmt. -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Loan Servicing and/or MIP Fees	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total Debt Service -	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash-flow after debt service - 5th	**9,068**	**222,098**	**62,576**	**62,526**	**62,143**	**61,410**	**60,310**	**58,825**	**56,937**	**54,627**	**51,874**	**48,657**	**44,956**	**40,747**	**36,008**	**30,715**	**24,842**	**0**	**0**	**988,317**
Debt coverage ratio after 5th mortgage	0.00	1.91	1.13	1.13	1.13	1.13	1.12	1.12	1.12	1.11	1.11	1.10	1.09	1.08	1.07	1.06	1.05	0.00	0.00	
Req'd DSC (Cash needed for DSC)																				0
																				0
																				0
Cash Flow From Operations for Construction Costs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Release of Operating Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash Flow After Required Payments & Funding of Operating Reserve	**9,068**	**222,098**	**62,576**	**62,526**	**62,143**	**61,410**	**60,310**	**58,825**	**56,937**	**54,627**	**51,874**	**48,657**	**44,956**	**40,747**	**36,008**	**30,715**	**24,842**	**0**	**0**	**988,317**
RESERVE WITHDRAWALS																				
1 Initial Operating Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2 Capitalized ACC Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3 Capitalized Rev Deficit Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4 Capitalized Lease-Up Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5 Other Reserves	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PAYMENTS CONTINGENT ON AVAILABLE CASH-FLOW																				
1 Annual NEFAsset Management Fee	9,068	19,261	19,839	20,434	21,047	21,678	22,329	22,999	23,689	24,399	25,131	25,885	26,662	27,462	28,285	29,134	24,842	0	0	392,144
2 Incentive Management Fee	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3 Deferred Developer Fee - Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4 Deferred Developer Fee - Principal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
16 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
18 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
21 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
22 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
23 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
24 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
25 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
26 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
27 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Remaining Cash	0	202,837	42,738	42,092	41,096	39,731	37,981	35,827	33,249	30,227	26,742	22,772	18,294	13,285	7,723	1,581	0	0	0	596,173

Excess Cash Allocation to Distributions																				
General Partner Share @ 0.01%	0	20	4	4	4	4	4	4	3	3	3	2	2	1	1	0	0	0	0	60
Limited Partner Share @ 99.99%	0	202,816	42,733	42,088	41,091	39,727	37,977	35,823	33,245	30,224	26,740	22,770	18,292	13,284	7,722	1,581	0	0	0	596,114

Project Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	
Reserve Balances	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	2034	
Initial Operating Reserve		0	185,000	188,700	192,474	196,323	200,250	183,829	168,755	154,917	142,214	130,553	119,847	110,020	100,998	92,716	85,114	78,134	70,321	
Contributions to Operating Reserve	0	185,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Interest on Reserve Account	0	0	3,700	3,774	3,849	3,926	4,005	3,677	3,375	3,098	2,844	2,611	2,397	2,200	2,020	1,854	1,702	0	0	45,034
Withdrawal from Operating Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Other Use (Expense / Capitalized)	0	0	0	0	0	0	20,425	18,751	17,213	15,802	14,506	13,316	12,224	11,222	10,302	9,457	8,682	7,813		
Balance before Release	0	185,000	188,700	192,474	196,323	200,250	183,829	168,755	154,917	142,214	130,553	119,847	110,020	100,998	92,716	85,114	78,134	70,321	70,321	
Release of Operating Reserve to cash flow																				
Ending Balance	0	185,000	188,700	192,474	196,323	200,250	183,829	168,755	154,917	142,214	130,553	119,847	110,020	100,998	92,716	85,114	78,134	70,321	70,321	
	2%																			
Capitalized Replacement Reserve		925	52,854	113,427	176,998	243,679	313,588	348,161	381,708	414,367	446,267	477,528	508,260	538,570	568,553	598,303	627,903	657,437	591,693	
Interest on Reserve Account	0	17	1,057	2,269	3,540	4,874	6,272	6,963	7,634	8,287	8,925	9,551	10,165	10,771	11,371	11,966	12,558	0	0	116,220
Withdrawal from Replacement Reserve																				
Contributions to Replacement Reserve	925	51,912	59,516	61,302	63,141	65,035	66,986	68,996	71,066	73,198	75,394	77,656	79,985	82,385	84,856	87,402	90,024	0	0	
Other Use (Expense / Capitalized)	0	0	0	0	0	0	38,685	42,412	46,041	49,585	53,059	56,473	59,841	63,173	66,478	69,767	73,049	65,744	0	
Balance before Release																				
Release to cash flow																				
Ending Balance	925	52,854	113,427	176,998	243,679	313,588	348,161	381,708	414,367	446,267	477,528	508,260	538,570	568,553	598,303	627,903	657,437	591,693	591,693	
Capitalized ACC Reserve		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Contributions to Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Interest on Reserve Account	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Withdrawal from Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Other Use (Expense / Capitalized)																				
Balance before Release																				
Release of Reserve to cash flow																				
Ending Balance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	2%																			
Capitalized Rev Deficit Reserve		0	520,000	530,400	541,008	551,828	562,865	574,122	585,604	597,317	609,263	621,448	633,877	646,555	659,486	672,675	686,129	699,852	699,852	
Contributions to Reserve	0	520,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Interest on Reserve Account	0	0	10,400	10,608	10,820	11,037	11,257	11,482	11,712	11,946	12,185	12,429	12,678	12,931	13,190	13,454	13,723	0	0	179,852
Withdrawal from Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Other Use (Expense / Capitalized)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Balance before Release																				
Release of Reserve to cash flow																				
Ending Balance	0	520,000	530,400	541,008	551,828	562,865	574,122	585,604	597,317	609,263	621,448	633,877	646,555	659,486	672,675	686,129	699,852	699,852	699,852	
	2%																			
Insurance & Tax Escrow (Funding Not Req.)		0	300,000	306,000	312,120	318,362	324,730	331,224	337,849	344,606	351,498	358,528	365,698	373,012	380,473	388,082	395,844	209,720	209,720	
Interest on Reserve Account	0	0	6,000	6,120	6,242	6,367	6,495	6,624	6,757	6,892	7,030	7,171	7,314	7,460	7,609	7,762	7,917	0	0	103,761
Withdrawal from Ins & Tax Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	194,041	0	0	
Contributions to Ins & Tax Reserve	0	300,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Other Use (Expense / Capitalized)																			0	
Balance before Release																				
Release of Reserve to cash flow																				
Ending Balance	0	300,000	306,000	312,120	318,362	324,730	331,224	337,849	344,606	351,498	358,528	365,698	373,012	380,473	388,082	395,844	209,720	209,720	209,720	
	2%																			
Capitalized Lease-Up Reserve		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Contributions to Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Interest on Reserve Account	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Withdrawal from Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Other Use (Expense / Capitalized)																				
Balance before Release	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Release of Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Ending Balance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	2%																			
Other Reserves		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Contributions to Other Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Interest on Reserve Account	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Withdrawal from Other Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Other Use (Expense / Capitalized)																				
Balance before Release																				
Release of Operating Reserve to cash flow																				
Ending Balance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	2%																			

Year Placed in Service 2017

Use of Reserves Analysis

Operating Reserve	Used in yrs multiple of	5	% of balance used	10%	% of use capitalized	0%
Replacement Reserve	Used in yrs multiple of	5	% of balance used	10%	% of use capitalized	90%
Revenue Deficit Reserve	Used in yrs multiple of	20	% of balance used	50%	% of use capitalized	
Insurance & Tax Escrow Reserve	Used in yrs multiple of	15	% of balance used	50%	% of use capitalized	

		2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Use of Operating Reserve		0	0	0	0	0	0	20,425	18,751	17,213	15,802	14,506	13,316	12,224	11,222	10,302	9,457	8,682	7,813
Use of Replacement Reserve		0	0	0	0	0	0	38,685	42,412	46,041	49,585	53,059	56,473	59,841	63,173	66,478	69,767	73,049	65,744
Use of Revenue Deficit Reserve		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Use of Insurance & Tax Escrow Reserve		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	194,041	0
Total Uses of Reserves		0	0	0	0	0	0	59,110	61,163	63,254	65,387	67,564	69,790	72,066	74,395	76,780	79,224	275,771	73,557
Total Currently Expensed		0	0	0	0	0	0	24,294	22,992	21,817	20,760	19,812	18,964	18,209	17,539	16,950	16,434	210,027	14,388
Total Currently Capitalized		0	0	0	0	0	0	34,816	38,171	41,437	44,627	47,753	50,826	53,857	56,855	59,830	62,790	65,744	59,169
Cumulative Capitalized		0	0	0	0	0	0	34,816	72,987	114,424	159,050	206,803	257,629	311,486	368,341	428,172	490,962	556,706	615,875
Depreciation Taken	27.5	0	0	0	0	0	0	1,266	2,654	4,161	5,784	7,520	9,368	11,327	13,394	15,570	17,853	20,244	0
Remaining Capitalized Reserve Basis		0	0	0	0	0	0	33,550	69,067	106,343	145,186	185,418	226,876	269,406	312,867	357,128	402,065	447,565	506,734
Total Deduction for Use of Reserves		0	0	0	0	0	0	25,560	25,646	25,978	26,544	27,332	28,332	29,535	30,934	32,520	34,287	230,271	14,388

	Federal LIHTC			
	Total	Acquisition	Construction	
			100%	130%
Eligible Basis	36,686,523	0	0	36,686,523
Percentage of Cost with 130% Basis Boost	100.00%			
Res Portion of Solar Credits	0		0	0
Res Portion of Historic Rehab Credit	0		0	0
Subtotal	36,686,523	0	0	36,686,523
Less: Tax Exempt Bonds	0	0	0	0
Federal and Other Grants Off Basis	0	0	0	0
Other		0	0	0
Eligible Basis	**36,686,523**	**0**	**0**	**36,686,523**
Adjustment "Hard-to-Develop Area" or Qualified Census Tract		0.00%	100.00%	130.00%
Percentage of Historic Related Costs				
Adjusted Eligible Basis	47,692,480	0	0	47,692,480
Applicable Fraction		100.00%	100.00%	100.00%
Qualified Basis	**47,692,480**	**0**	0	**47,692,480**
Qualified Basis per Application		0	0	
Rate		3.22%	7.52%	7.52%
Annual LIHTC Amount Calculated	3,586,474	0	0	3,586,474
Actual Allocation	2,561,000	0	0	2,561,000
Used in Forecast (lessor)	2,561,000	0	0	2,561,000
Total Credits	25,610,000			

	No. of Units	Fraction	Total Sq Ft	Fraction
Low Income Apts	187	100.00%	208,350	100.00%
Market Rate Apts	0	0.00%	0	0.00%
Manager Unit	1			
TOTAL	188	100.00%	208,350	100.00%
Applicable fraction (the lesser of units or sq ft)				100.00%

50% Test	
Bond Analysis 50% Test (If Applicable)	
Total Tax Exempt Bond Proceeds	N/A
Add'l Const Period Bond Proceeds	
Total Project Basis	36,686,523
Bond Proceeds/Aggregate Basis	N/A

REDSTONE™

via e-mail

July 1, 2015

Joe Chambers
Miami Redevelopment Partners, LLC
205 E. Central Blvd., Ste. 304
Orlando, FL 32801

Re: Liberty Rising Phase 1
Miami, FL
185 Units

Dear Mr. Chambers,

Red Stone Tax-Exempt Funding LLC ("Red Stone") is pleased to present Miami Redevelopment Partners, LLC or its affiliates (the "Sponsor") with the following proposal to purchase up to **$22,500,000** of tax-exempt bonds, part of which shall be temporary construction bonds and part of which shall be permanent bonds as outlined below, issued by the Housing Finance Authority of Miami-Dade County (the "Issuer") for the benefit of the above-referenced property (the "Property"). The bond purchase shall hereinafter be defined as the facility (the "Facility").

This letter sets forth the basic business terms and conditions of Red Stone's proposed financing, as well as summarizes key assumptions that Red Stone used in preparation of this proposal that were provided to us by the Sponsor or its representatives.

Structure

Red Stone will provide the financing Facility by purchasing up to $22,500,000 of fixed-rate tax-exempt bonds (the "Bonds") directly or through its designee. The Bonds shall mature 40 years after the closing ("the Closing"), subject to redemption prior to maturity as described below.

The Facility will be composed of two series of Bonds; Series A shall be the permanent bonds and have a term of 40 years, subject to redemption prior to maturity as described below (the "Series A Bonds") and the Series B shall be the construction bonds and have a term of approximately 2 years, subject to redemption prior to maturity as described below (the "Series B Bonds"), jointly referred to as the "Bonds." The amount of each Series shall be as follows:

Series A Bonds: $14,030,000
Series B Bonds: $8,470,000

Red Stone will provide the financing Facility by purchasing the Series A Bonds at Closing, and will work with the Sponsor to facilitate the participation of a construction lender bank (the "Construction Bank") that will acquire the Series B Bonds and credit-enhance the Series A Bonds during construction and lease-up with a stand-by letter of credit (the "Letter of Credit"), as further described herein.

Red Stone will purchase the Series A Bonds at issuance, the Construction Bank will purchase the Series B Bonds on a draw-down basis, and the proceeds will be lent to the Borrower pursuant to a loan agreement (the "Loan Agreement") to be used to pay a portion of the costs incurred by the Borrower for the acquisition and construction of the Property.

The documents evidencing the Facility shall contain covenants, representations, and warranties customarily provided in financing documents for bond financings of this size and nature.

Letter of Credit

Red Stone or the Sponsor shall arrange for the Letter of Credit to be issued for the benefit of the Bond Trustee for the account of the Borrower by a Red Stone-approved financial institution. Obtaining a Letter of Credit shall be a condition precedent to Red Stone's obligation to provide the Facility. The Letter of Credit shall remain outstanding for sixty (60) days following the expiration of the Stabilization Period, and shall at all times have a face-amount equal to 100% of the outstanding amount of the Series A Bonds plus one month's debt service. Red Stone will be entitled to direct the Bond Trustee to draw on the Letter of Credit upon the Borrower's (i) failure to complete construction of the Property before the end of the Construction Period, (ii) failure to achieve Stabilization by the end of the Development Period, (iii) breach of certain covenants relating to the Construction of the Property, or (iv) debt service payment default during the period in which the Letter of Credit is outstanding.

Borrower

[A to-be-formed limited partnership or limited liability company] (the "Borrower")]. The Borrower and [its GENERAL PARTNER(S) (the "General Partner")] shall each be a single-purpose, bankruptcy-remote entity.

Guarantors / Key Principals

ENTITIES (SPONSOR) and/or INDIVIDUALS (Sponsor affiliates to be approved through Red Stone underwriting) (the "Guarantors," Guarantors subject to Red Stone approval) shall provide guarantees of certain specific obligations of the Borrower, as described herein. Guarantors will be required to maintain a minimum amount of net worth and liquidity (cash and cash equivalents) prior to Stabilization (amount and forms to be reasonably determined during underwriting). The Guarantors shall be jointly and severally obligated for certain non-recourse carve-outs as described herein.

Property

The Property, known as Liberty Rising Phase 1, is a multifamily apartment complex that will be a new construction replacement of existing public housing, located in the Liberty City neighborhood of Miami, Florida and consisting of 185 units. The Property will consist of 22 one-bedroom units, 87 two-bedroom units, 43 three-bedroom units, 23 four-bedroom units, and 10 five-bedroom units, comprising approximately 209,300 net rentable square feet.

Capital Expenditures

Funds necessary to construct the Property will be deposited into an escrow account (the "Project Fund") to fund capital expenditures on a schedule and with terms approved by the Construction Bank and Red Stone prior to the Closing Date.

The construction of the Property will be for a period no longer than 18 months from the Closing (the "Construction Period"). During the Construction Period, amounts in the Project Fund shall be disbursed to the Borrower from time to time, not more often than monthly, as the construction progresses, upon submission of a proper requisition with proof of completion of work and approval of such requisition by the Construction Bank and its consulting engineer.

The Borrower will spend a minimum of approximately $22,050,000 ($119,190 per unit) in hard costs for the construction of the Property during the Construction Period. Any monies remaining in the Project Fund at the end of the Construction Period that are not needed for capital items approved by the Construction Bank and Red Stone prior to the Closing Date shall be used to redeem Bonds. The sources and uses are detailed on Exhibit A attached hereto.

NOI

Red Stone's proposal is based on the pro-forma NOI of $941,168 (subject to Red Stone's confirmation) as detailed on Exhibit B attached hereto. This figure assumes a 7.0% vacancy rate, a 6.0% must-pay management fee, and $300/unit/year in replacement reserves (subject to confirmation by Red Stone's underwriter and engineer).

Debt Sizing

Red Stone is sizing the Facility based on a minimum 1.15x Debt Service Coverage Ratio and a maximum 85% Loan-to-Value Ratio. Upon completion of the Construction, the Loan Documents shall contain a stabilization requirement ("Stabilization") as defined below.

Stabilization

Stabilization shall mean the point at which the ratio of net operating income of the Property for the prior three months, to a maximum principal and interest payable in any three-month period, equals or exceeds 1.15 to 1.0, and the average monthly occupancy in each of the three consecutive months equals at least 90%. For purposes of the foregoing, net operating income shall be (a) the lesser of (i) actual Property income or (ii) actual Property income adjusted to reflect 7.0% economic vacancy, over (b) the greater of (i) actual Property expenses or (ii) projected expenses determined in Red Stone's underwriting (except for expense line items relating to property taxes, insurance, and utilities, which shall in all cases be actual).

Notwithstanding the above, Stabilization of the Property will occur no later than 30 months from the Closing Date (the "Stabilization Period").

Bond Interest / Ongoing Fees

Beginning on the date of delivery of the Series A Bonds (the "Closing"), interest will be paid monthly at a fixed rate of 4.75% per annum on the Series A Bonds.

	Beginning on the date of delivery of the Series B Bonds (the "Closing"), interest will be paid monthly at a floating rate of LIBOR plus 2.75% per annum on the Series B Bonds. In addition to the above-stated interest rate, the Borrower will pay all Trustee and Issuer fees associated with the transaction.
Term of Bond Purchase	Upon the 17-Year Anniversary of Closing, Red Stone shall have the option, with 6 months' notice, to require a mandatory tender of the Series A Bonds.
Termination	Optional prepayment of the Facility shall be prohibited until 16 years after Closing Date. Thereafter, the Facility may be prepaid at par.
Interest-Only Period	24 Months
Amortization	After the Interest-Only Period, an amount of the Facility equal to the amount of the Series A Bond Amount shall be subject to mandatory redemption in part in monthly installments sufficient to amortize such Bonds fully over 40 years.
Origination Fee	1.50% of the Series A Bond amount, payable to Red Stone at Closing.
Construction Bank Fees and Costs	The Borrower will be responsible for any fees and costs associated with the Construction Letter of Credit. Currently, these are anticipated to be 1.00% of the Bonds at Closing, and 1.25% per annum of the Series A Bond Amount as long as the Letter of Credit is outstanding.
Completion & Stabilization Guarantees	To be negotiated between the Construction Bank and the Sponsor, subject to Red Stone's approval.
LIHTC Equity	In addition to the Bonds, the acquisition and construction of the Property will be funded through the sale of Federal Low Income Housing Tax Credits (the "LIHTCs"). The terms and pay-in commitments of the LIHTC proceeds are subject to the Construction Bank's and Red Stone's review.
Other Sources	The acquisition and construction of the Property shall also be funded with SAIL Funds, ELI Funds, County General Obligation Bonds, PHCD Documentary Surtax Funds, and PHCD CFFP Funds (together the "Soft Funds"). Any payments due under the Soft Funds shall be subordinated to Red Stone's Facility and subject to an Intercreditor Agreement acceptable to Red Stone and its counsel.

MORTGAGE AND NOTE TERMS:

Security / Collateral	The Facility shall be secured at all times by the following: (a) first priority mortgage lien on the Property; (b) first priority assignment of leases and rents; (c) a collateral assignment of the management agreement and all project documents; (d) a general partner/managing member pledge; (e) the aforementioned guaranties; (f) assignment of capital contributions in

respect of the tax credits; (g) an environmental indemnity from the Borrower and the Guarantors.

Non-Recourse

Except as otherwise outlined in this letter, the loan and reimbursement documents will provide specifically that they are non-recourse to the Borrower and its partners, except in the event of fraud, misapplication of funds, and other bad acts.

Other Costs

The Borrower shall be responsible for all Closing costs and expenses of compliance with this proposal, including, but not limited to, costs of the Issuer, Issuer's counsel, bond counsel, Trustee's counsel, Red Stone's counsel, and any costs of the Construction Bank and its counsel. During the Construction Period, the Borrower shall be responsible for third-party inspection draw fees in an amount estimated not to exceed $1,500 per month per property. The Borrower shall also be responsible for any title and transfer costs associated with the transaction. In the event that the proposed transaction does not close for any reason other than the failure of Red Stone to comply with its obligations hereunder, the Borrower shall be responsible for all third-party costs and out-of-pocket costs incurred by Red Stone not satisfied by the Application Deposit.

Property Management

The property management company and the management contract shall be subject to approval by Red Stone. The property management fee shall be 6.0% of Effective Gross Income, and any amount in excess of 6.0% shall be subordinate to payment of interest on the Bonds, third-party fees, and mandatory redemption / sinking-fund payments.

Application & Legal Deposit

$25,000. To be applied to the cost of preparing the third-party appraisal, engineering, and environmental reports, and Red Stone's out-of-pocket underwriting costs. Any unused portion of the deposit shall be returned to the Borrower. Said deposit is payable upon the execution of this financing proposal by Borrower. Red Stone shall use reasonable efforts to coordinate one appraisal, engineering, and environmental report jointly with the Construction Bank and LIHTC Provider.

An additional $25,000 deposit is required to commence legal documentation; however this deposit is not required upon execution of the term sheet.

Reserves & Escrows

Monthly payments to escrow accounts held in the partnership name by the Bond Trustee will be required for taxes, insurance premiums, and replacement reserves. Any draws from the escrow accounts shall require Red Stone's consent. The initial replacement reserves will be set at $300 per unit per year (subject to confirmation by Red Stone's underwriter and engineer).

Operating Reserve

Upon Stabilization, the Borrower has budgeted the funding an Operating Reserve of approximately $520,000. The Borrower shall deposit this amount into an escrow account held by the Trustee (the "Operating Reserve") to be used for debt service payments and/or operating deficits during the Term. The Operating Reserve shall be held in an interest-bearing account and the interest shall be paid to the Borrower annually. Upon maturity of the Facility, the Operating Reserve will be released to the Borrower.

Exclusivity

Upon execution of this financing proposal, the Sponsor agrees (i) to cease its efforts to obtain financing from other sources, (ii) to terminate any other financing proposals currently in process, and (iii) to not sell, lease, or transfer the Property (or any interest therein). This exclusive arrangement shall terminate should Red Stone notify the Sponsor in writing that it does not intend to proceed with this transaction. Breach of this exclusivity clause shall cause the Origination Fee, and any out-of-pocket due diligence costs and legal fees incurred by Red Stone, to be immediately due and payable to Red Stone.

Due Diligence / Conditions to Closing

Red Stone and its agents shall have 60 days to perform due diligence from the later of the date on which Red Stone receives an executed copy of (i) this proposal and the Application Deposit and (ii) necessary preliminary due diligence information as requested by Red Stone. During the due diligence period, Red Stone's due diligence shall include, but not be limited to, engineering and environmental investigations, bond document review, title and survey review, market analysis, satisfactory review of Borrower/Sponsor financial statements, and other investigations deemed appropriate by Red Stone. At its sole discretion, Red Stone has the right, at any time during the due diligence period, to decline to proceed with this proposal, and shall not be under any obligation to the Borrower. In the event that Red Stone declines to proceed with this proposal, the Application Deposit (less actual out-of-pocket costs incurred by Red Stone and authorized hereby) and the Legal Deposit (less all fees and costs actually incurred by Red Stone's counsel) will be returned to the Borrower.

Budgets / Reporting

The Borrower shall provide Red Stone or its designee with an annual budget for operations and capital expenditures to be approved by Red Stone within 30 days of submission. Periodic reporting requirements shall include delivery of operating statements, occupancy reports, rent rolls, and other reports reasonably requested by Red Stone.

The Borrower shall provide to Red Stone an annual audit report of each Property's financial statements from a firm approved by Red Stone, not more than 120 days after the end of each fiscal year.

Other

At Closing, Red Stone will purchase the Bonds directly or indirectly with a designee through a placement agent or underwriter at no cost to the Borrower. The designee (usually a large financial institution) will abide by all the terms included in this term sheet. To the extent permitted by the Issuer, the Bonds will be issued in book-entry-only form and purchased

through a DTC participant selected by Red Stone.

Red Stone reserves the right to sell, assign, or participate all or part of their interests in the Facility in a form they find satisfactory, provided the sale does not adversely affect the Borrower or increase the costs, expenses, or obligations of the Borrower.

The Borrower shall cooperate fully with Red Stone in this matter, and shall take all actions reasonably requested by Red Stone and the new participant, but will not be required to enter into any documents which are materially-adverse to the Borrower. The Borrower shall not incur any costs or additional liability from any such transfer or securitization.

Except as otherwise outlined in this letter, the loan and reimbursement documents will provide specifically that they are non-recourse to the Borrower and its partners, except in the event of fraud, misapplication of funds, and other bad acts, as outlined above in the Non-Recourse section.

Offer Expiration If the terms set forth in this letter are satisfactory, please indicate your acceptance by executing and returning to Red Stone a copy of this letter and the Application Deposit before August 1, 2015. If you have not done so by such date, this proposal shall expire and be of no further effect. It is also understood that the economic terms outlined herein shall remain valid through December 31, 2015, subject to current bond market conditions.

This letter is a proposal for the purchase of up to $22,500,000 of tax-exempt bonds. This letter does not constitute a commitment or approval to lend or purchase in any manner. Any commitment by Red Stone to lend or purchase the Bonds is contingent upon the completion and ratification by Red Stone's Board of Directors of our due diligence review.

Very truly yours,

Red Stone Tax Exempt Funding LLC

Cody Z. Langeness
Managing Director

Agreed and Accepted:

Miami Redevelopment Partners, LLC

By: _____

Name: _____

Title: _____

Date: _____

Exhibit A: Red Stone Underwriting Sources & Uses

Permanent Sources	
First Mortgage	14,030,000
FHFC SAIL Loan	5,000,000
FHFC ELI Loan	601,780
County General Obligation Bonds	5,476,548
PHCD Documentary Surtax Funds	1,091,445
PHCD CFFP	1,455,261
LIHTC Equity	19,138,125
RAD Subsidy During Construction	476,755
Other Public and Private Funds	155,000
Total Permanent Sources	**$ 47,424,915**

Permanent Uses	
Hard Costs:	
Demolition & Remediation	894,660
Infrastructure	1,850,000
Residential Hard Construction Costs	22,048,609
Community Facilities Construction Costs	1,477,246
General Conditions	1,313,526
Contractor Overhead	525,410
Contractor Profit	1,576,231
P&P Bond	262,705
Contingency	1,313,526
Architetcural & Engineering Costs:	
Architecture (Design)	700,000
Architecture (Supervision)	190,000
Engineering	380,000
Soils Testing	70,000
Survey & As-Built Survey	30,000
Financing Costs:	
Construction Loan Interest	1,068,750
Bank Construction Orgination	340,172
Bank LC Annual Fees	453,563
Negative Arbitrage	506,250
Bond Issuance Costs	821,250
Title & Recording	290,000
Legal Fees:	
Developer Legal	200,000
Housing Authority legal	60,000
Syndication Costs	50,000
Other Soft Costs:	
Owner's Insurance	650,000
Accountant and Audit	15,000
Cost Certification	20,000
Appraisal & Market Study	25,000
Environmental Studies	25,000
Green Building Certification/Inspections	75,000
FHFC Administrative Fee	139,200
FHFC Application Fee	3,000
FHFC Compliance Monitoring Fee	109,218
FHFC Commitment Fee	225,000
FHFC Credit Underwriting Fee	11,511
FHFC Construction Servicing Fee	7,422
PILOT Fees/R.E. Taxes during Const.	60,000
Utility Tap Fees	250,000
Relocation	706,629
Tax & Insurance Escrow	300,000
Soft Cost Contingency/Working Capital	341,610
Marketing & Rent-up	207,660
Reserves:	
Operating Reserve	520,000
Lease-up Reserve	185,000
Developer Fees:	
Developer Fee and Overhead	7,126,767
Total Permanent Uses	**$ 47,424,915**

Exhibit B: Red Stone Underwriting Net Operating Income

	Red Stone Underwriting	Per Unit
Gross Potential	**$ 2,121,068**	**$ 11,465**
Less:		
Vacancy	(148,475)	7.00%
Non Revenue	-	0.00%
Bad Debt / Collection Loss	-	0.00%
Total Rent Loss	(148,475)	7.00%
Plus:		
Total Other Income	16,628	90
Effective Gross Income	**$ 1,989,221**	**$ 10,753**
Maintenance & Operations	814,000	4,400
Management Fee	119,353	6.00%
Real Estate Taxes	59,200	320
Replacement Reserves	55,500	300
Total Expenses	**$ 1,048,053**	**$ 5,665**
Net Operating Income	**$ 941,168**	**$ 5,087**

REDSTONE™

via e-mail

July 1, 2015

Joe Chambers
Miami Redevelopment Partners, LLC
205 E. Central Blvd., Ste. 304
Orlando, FL 32801

Re: Liberty Rising Phase 2
Miami, FL
256 Units

Dear Mr. Chambers,

Red Stone Tax-Exempt Funding LLC ("Red Stone") is pleased to present Miami Redevelopment Partners, LLC or its affiliates (the "Sponsor") with the following proposal to purchase up to **$30,100,000** of tax-exempt bonds, part of which shall be temporary construction bonds and part of which shall be permanent bonds as outlined below, issued by the Housing Finance Authority of Miami-Dade County (the "Issuer") for the benefit of the above-referenced property (the "Property"). The bond purchase shall hereinafter be defined as the facility (the "Facility").

This letter sets forth the basic business terms and conditions of Red Stone's proposed financing, as well as summarizes key assumptions that Red Stone used in preparation of this proposal that were provided to us by the Sponsor or its representatives.

Structure

Red Stone will provide the financing Facility by purchasing up to $30,100,000 of fixed-rate tax-exempt bonds (the "Bonds") directly or through its designee. The Bonds shall mature 40 years after the closing ("the Closing"), subject to redemption prior to maturity as described below.

The Facility will be composed of two series of Bonds; Series A shall be the permanent bonds and have a term of 40 years, subject to redemption prior to maturity as described below (the "Series A Bonds") and the Series B shall be the construction bonds and have a term of approximately 2 years, subject to redemption prior to maturity as described below (the "Series B Bonds"), jointly referred to as the "Bonds." The amount of each Series shall be as follows:

Series A Bonds: $18,750,000
Series B Bonds: $11,350,000

Red Stone will provide the financing Facility by purchasing the Series A Bonds at Closing, and will work with the Sponsor to facilitate the participation of a construction lender bank (the "Construction Bank") that will acquire the Series B Bonds and credit-enhance the Series A Bonds during construction and lease-up with a stand-by letter of credit (the "Letter of Credit"), as further described herein.

Red Stone will purchase the Series A Bonds at issuance, the Construction Bank will purchase the Series B Bonds on a draw-down basis, and the proceeds will be lent to the Borrower pursuant to a loan agreement (the "Loan Agreement") to be used to pay a portion of the costs incurred by the Borrower for the acquisition and construction of the Property.

The documents evidencing the Facility shall contain covenants, representations, and warranties customarily provided in financing documents for bond financings of this size and nature.

Letter of Credit

Red Stone or the Sponsor shall arrange for the Letter of Credit to be issued for the benefit of the Bond Trustee for the account of the Borrower by a Red Stone-approved financial institution. Obtaining a Letter of Credit shall be a condition precedent to Red Stone's obligation to provide the Facility. The Letter of Credit shall remain outstanding for sixty (60) days following the expiration of the Stabilization Period, and shall at all times have a face-amount equal to 100% of the outstanding amount of the Series A Bonds plus one month's debt service. Red Stone will be entitled to direct the Bond Trustee to draw on the Letter of Credit upon the Borrower's (i) failure to complete construction of the Property before the end of the Construction Period, (ii) failure to achieve Stabilization by the end of the Development Period, (iii) breach of certain covenants relating to the Construction of the Property, or (iv) debt service payment default during the period in which the Letter of Credit is outstanding.

Borrower

[A to-be-formed limited partnership or limited liability company] (the "Borrower")]. The Borrower and [its GENERAL PARTNER(S) (the "General Partner")] shall each be a single-purpose, bankruptcy-remote entity.

Guarantors / Key Principals

ENTITIES (SPONSOR) and/or INDIVIDUALS (Sponsor affiliates to be approved through Red Stone underwriting) (the "Guarantors," Guarantors subject to Red Stone approval) shall provide guarantees of certain specific obligations of the Borrower, as described herein. Guarantors will be required to maintain a minimum amount of net worth and liquidity (cash and cash equivalents) prior to Stabilization (amount and forms to be reasonably determined during underwriting). The Guarantors shall be jointly and severally obligated for certain non-recourse carve-outs as described herein.

Property

The Property, known as Liberty Rising Phase 2, is a multifamily apartment complex that will be a new construction replacement of existing public housing, located in the Liberty City neighborhood of Miami, Florida and consisting of 256 units. The Property will consist of 31 one-bedroom units, 122 two-bedroom units, 60 three-bedroom units, 30 four-bedroom units, and 13 five-bedroom units, comprising approximately 291,290 net rentable square feet.

Capital Expenditures

Funds necessary to construct the Property will be deposited into an escrow account (the "Project Fund") to fund capital expenditures on a schedule and with terms approved by the Construction Bank and Red Stone prior to the Closing Date.

The construction of the Property will be for a period no longer than 18 months from the Closing (the "Construction Period"). During the Construction Period, amounts in the Project Fund shall be disbursed to the Borrower from time to time, not more often than monthly, as the construction progresses, upon submission of a proper requisition with proof of completion of work and approval of such requisition by the Construction Bank and its consulting engineer.

The Borrower will spend a minimum of approximately $30,880,000 ($120,625 per unit) in hard costs for the construction of the Property during the Construction Period. Any monies remaining in the Project Fund at the end of the Construction Period that are not needed for capital items approved by the Construction Bank and Red Stone prior to the Closing Date shall be used to redeem Bonds. The sources and uses are detailed on Exhibit A attached hereto.

NOI

Red Stone's proposal is based on the pro-forma NOI of $1,257,485 (subject to Red Stone's confirmation) as detailed on Exhibit B attached hereto. This figure assumes a 7.0% vacancy rate, a 6.0% must-pay management fee, and $300/unit/year in replacement reserves (subject to confirmation by Red Stone's underwriter and engineer).

Debt Sizing

Red Stone is sizing the Facility based on a minimum 1.15x Debt Service Coverage Ratio and a maximum 85% Loan-to-Value Ratio. Upon completion of the Construction, the Loan Documents shall contain a stabilization requirement ("Stabilization") as defined below.

Stabilization

Stabilization shall mean the point at which the ratio of net operating income of the Property for the prior three months, to a maximum principal and interest payable in any three-month period, equals or exceeds 1.15 to 1.0, and the average monthly occupancy in each of the three consecutive months equals at least 90%. For purposes of the foregoing, net operating income shall be (a) the lesser of (i) actual Property income or (ii) actual Property income adjusted to reflect 7.0% economic vacancy, over (b) the greater of (i) actual Property expenses or (ii) projected expenses determined in Red Stone's underwriting (except for expense line items relating to property taxes, insurance, and utilities, which shall in all cases be actual).

Notwithstanding the above, Stabilization of the Property will occur no later than 30 months from the Closing Date (the "Stabilization Period").

Bond Interest / Ongoing Fees

Beginning on the date of delivery of the Series A Bonds (the "Closing"), interest will be paid monthly at a fixed rate of 4.75% per annum on the Series A Bonds.

	Beginning on the date of delivery of the Series B Bonds (the "Closing"), interest will be paid monthly at a floating rate of LIBOR plus 2.75% per annum on the Series B Bonds. In addition to the above-stated interest rate, the Borrower will pay all Trustee and Issuer fees associated with the transaction.
Term of Bond Purchase	Upon the 17-Year Anniversary of Closing, Red Stone shall have the option, with 6 months' notice, to require a mandatory tender of the Series A Bonds.
Termination	Optional prepayment of the Facility shall be prohibited until 16 years after Closing Date. Thereafter, the Facility may be prepaid at par.
Interest-Only Period	24 Months
Amortization	After the Interest-Only Period, an amount of the Facility equal to the amount of the Series A Bond Amount shall be subject to mandatory redemption in part in monthly installments sufficient to amortize such Bonds fully over 40 years.
Origination Fee	1.50% of the Series A Bond amount, payable to Red Stone at Closing.
Construction Bank Fees and Costs	The Borrower will be responsible for any fees and costs associated with the Construction Letter of Credit. Currently, these are anticipated to be 1.00% of the Bonds at Closing, and 1.25% per annum of the Series A Bond Amount as long as the Letter of Credit is outstanding.
Completion & Stabilization Guarantees	To be negotiated between the Construction Bank and the Sponsor, subject to Red Stone's approval.
LIHTC Equity	In addition to the Bonds, the acquisition and construction of the Property will be funded through the sale of Federal Low Income Housing Tax Credits (the "LIHTCs"). The terms and pay-in commitments of the LIHTC proceeds are subject to the Construction Bank's and Red Stone's review.
Other Sources	The acquisition and construction of the Property shall also be funded with SAIL Funds, ELI Funds, County General Obligation Bonds, PHCD Documentary Surtax Funds, and PHCD CFFP Funds (together the "Soft Funds"). Any payments due under the Soft Funds shall be subordinated to Red Stone's Facility and subject to an Intercreditor Agreement acceptable to Red Stone and its counsel.

MORTGAGE AND NOTE TERMS:

Security / Collateral	The Facility shall be secured at all times by the following: (a) first priority mortgage lien on the Property; (b) first priority assignment of leases and rents; (c) a collateral assignment of the management agreement and all project documents; (d) a general partner/managing member pledge; (e) the aforementioned guaranties; (f) assignment of capital contributions in

respect of the tax credits; (g) an environmental indemnity from the Borrower and the Guarantors.

Non-Recourse

Except as otherwise outlined in this letter, the loan and reimbursement documents will provide specifically that they are non-recourse to the Borrower and its partners, except in the event of fraud, misapplication of funds, and other bad acts.

Other Costs

The Borrower shall be responsible for all Closing costs and expenses of compliance with this proposal, including, but not limited to, costs of the Issuer, Issuer's counsel, bond counsel, Trustee's counsel, Red Stone's counsel, and any costs of the Construction Bank and its counsel. During the Construction Period, the Borrower shall be responsible for third-party inspection draw fees in an amount estimated not to exceed $1,500 per month per property. The Borrower shall also be responsible for any title and transfer costs associated with the transaction. In the event that the proposed transaction does not close for any reason other than the failure of Red Stone to comply with its obligations hereunder, the Borrower shall be responsible for all third-party costs and out-of-pocket costs incurred by Red Stone not satisfied by the Application Deposit.

Property Management

The property management company and the management contract shall be subject to approval by Red Stone. The property management fee shall be 6.0% of Effective Gross Income, and any amount in excess of 6.0% shall be subordinate to payment of interest on the Bonds, third-party fees, and mandatory redemption / sinking-fund payments.

Application & Legal Deposit

$25,000. To be applied to the cost of preparing the third-party appraisal, engineering, and environmental reports, and Red Stone's out-of-pocket underwriting costs. Any unused portion of the deposit shall be returned to the Borrower. Said deposit is payable upon the execution of this financing proposal by Borrower. Red Stone shall use reasonable efforts to coordinate one appraisal, engineering, and environmental report jointly with the Construction Bank and LIHTC Provider.

An additional $25,000 deposit is required to commence legal documentation; however this deposit is not required upon execution of the term sheet.

Reserves & Escrows

Monthly payments to escrow accounts held in the partnership name by the Bond Trustee will be required for taxes, insurance premiums, and replacement reserves. Any draws from the escrow accounts shall require Red Stone's consent. The initial replacement reserves will be set at $300 per unit per year (subject to confirmation by Red Stone's underwriter and engineer).

Operating Reserve

Upon Stabilization, the Borrower has budgeted the funding an Operating Reserve of approximately $720,000. The Borrower shall deposit this amount into an escrow account held by the Trustee (the "Operating Reserve") to be used for debt service payments and/or operating deficits during the Term. The Operating Reserve shall be held in an interest-bearing account and the interest shall be paid to the Borrower annually. Upon maturity of the Facility, the Operating Reserve will be released to the Borrower.

Exclusivity

Upon execution of this financing proposal, the Sponsor agrees (i) to cease its efforts to obtain financing from other sources, (ii) to terminate any other financing proposals currently in process, and (iii) to not sell, lease, or transfer the Property (or any interest therein). This exclusive arrangement shall terminate should Red Stone notify the Sponsor in writing that it does not intend to proceed with this transaction. Breach of this exclusivity clause shall cause the Origination Fee, and any out-of-pocket due diligence costs and legal fees incurred by Red Stone, to be immediately due and payable to Red Stone.

Due Diligence / Conditions to Closing

Red Stone and its agents shall have 60 days to perform due diligence from the later of the date on which Red Stone receives an executed copy of (i) this proposal and the Application Deposit and (ii) necessary preliminary due diligence information as requested by Red Stone. During the due diligence period, Red Stone's due diligence shall include, but not be limited to, engineering and environmental investigations, bond document review, title and survey review, market analysis, satisfactory review of Borrower/Sponsor financial statements, and other investigations deemed appropriate by Red Stone. At its sole discretion, Red Stone has the right, at any time during the due diligence period, to decline to proceed with this proposal, and shall not be under any obligation to the Borrower. In the event that Red Stone declines to proceed with this proposal, the Application Deposit (less actual out-of-pocket costs incurred by Red Stone and authorized hereby) and the Legal Deposit (less all fees and costs actually incurred by Red Stone's counsel) will be returned to the Borrower.

Budgets / Reporting

The Borrower shall provide Red Stone or its designee with an annual budget for operations and capital expenditures to be approved by Red Stone within 30 days of submission. Periodic reporting requirements shall include delivery of operating statements, occupancy reports, rent rolls, and other reports reasonably requested by Red Stone.

The Borrower shall provide to Red Stone an annual audit report of each Property's financial statements from a firm approved by Red Stone, not more than 120 days after the end of each fiscal year.

Other

At Closing, Red Stone will purchase the Bonds directly or indirectly with a designee through a placement agent or underwriter at no cost to the Borrower. The designee (usually a large financial institution) will abide by all the terms included in this term sheet. To the extent permitted by the Issuer, the Bonds will be issued in book-entry-only form and purchased

through a DTC participant selected by Red Stone.

Red Stone reserves the right to sell, assign, or participate all or part of their interests in the Facility in a form they find satisfactory, provided the sale does not adversely affect the Borrower or increase the costs, expenses, or obligations of the Borrower.

The Borrower shall cooperate fully with Red Stone in this matter, and shall take all actions reasonably requested by Red Stone and the new participant, but will not be required to enter into any documents which are materially-adverse to the Borrower. The Borrower shall not incur any costs or additional liability from any such transfer or securitization.

Except as otherwise outlined in this letter, the loan and reimbursement documents will provide specifically that they are non-recourse to the Borrower and its partners, except in the event of fraud, misapplication of funds, and other bad acts, as outlined above in the Non-Recourse section.

Offer Expiration If the terms set forth in this letter are satisfactory, please indicate your acceptance by executing and returning to Red Stone a copy of this letter and the Application Deposit before August 1, 2015. If you have not done so by such date, this proposal shall expire and be of no further effect. It is also understood that the economic terms outlined herein shall remain valid through December 31, 2015, subject to current bond market conditions.

This letter is a proposal for the purchase of up to $30,100,000 of tax-exempt bonds. This letter does not constitute a commitment or approval to lend or purchase in any manner. Any commitment by Red Stone to lend or purchase the Bonds is contingent upon the completion and ratification by Red Stone's Board of Directors of our due diligence review.

Very truly yours,

Red Stone Tax Exempt Funding LLC

Cody Z. Langeness
Managing Director

Agreed and Accepted:

Miami Redevelopment Partners, LLC

By: _____

Name: _____

Title: _____

Date: _____

Exhibit A: Red Stone Underwriting Sources & Uses

Permanent Sources	
First Mortgage	18,750,000
FHFC SAIL Loan	5,000,000
FHFC ELI Loan	805,202
County General Obligation Bonds	8,948,163
PHCD Documentary Surtax Funds	1,510,324
PHCD CFFP	2,013,766
LIHTC Equity	25,650,440
RAD Subsidy During Construction	654,494
Other Public and Private Funds	131,271
Total Permanent Sources	**$ 63,463,659**

Permanent Uses	
Hard Costs:	
Demolition & Remediation	1,238,016
Infrastructure	2,560,000
Residential Hard Construction Costs	30,875,081
Community Facilities Construction Costs	807,679
General Conditions	1,774,039
Contractor Overhead	709,616
Contractor Profit	2,128,847
P&P Bond	354,808
Contingency	1,774,039
Architetcural & Engineering Costs:	
Architecture (Design)	940,000
Architecture (Supervision)	260,000
Engineering	510,000
Soils Testing	70,000
Survey & As-Built Survey	30,000
Financing Costs:	
Construction Loan Interest	1,429,750
Bank Construction Orgination	455,074
Bank LC Annual Fees	606,766
Negative Arbitrage	677,250
Bond Issuance Costs	1,098,650
Title & Recording	390,000
Legal Fees:	
Developer Legal	200,000
Housing Authority legal	60,000
Syndication Costs	50,000
Other Soft Costs:	
Owner's Insurance	650,000
Accountant and Audit	15,000
Cost Certification	20,000
Appraisal & Market Study	25,000
Environmental Studies	25,000
Green Building Certification/Inspections	75,000
FHFC Administrative Fee	186,567
FHFC Application Fee	3,000
FHFC Compliance Monitoring Fee	129,581
FHFC Commitment Fee	301,000
FHFC Credit Underwriting Fee	11,511
FHFC Construction Servicing Fee	7,422
PILOT Fees/R.E. Taxes during Const.	60,000
Utility Tap Fees	250,000
Relocation	1,172,073
Tax & Insurance Escrow	300,000
Soft Cost Contingency/Working Capital	456,247
Marketing & Rent-up	273,712
Reserves:	
Operating Reserve	720,000
Lease-up Reserve	250,000
Developer Fees:	
Developer Fee and Overhead	9,532,931
Total Permanent Uses	**$ 63,463,659**

Exhibit B: Red Stone Underwriting Net Operating Income

	Red Stone Underwriting	Per Unit
Gross Potential	**$ 2,890,614**	**$ 11,291**
Less:		
Vacancy	(202,343)	7.00%
Non Revenue	-	0.00%
Bad Debt / Collection Loss	-	0.00%
Total Rent Loss	(202,343)	7.00%
Plus:		
Total Other Income	16,628	65
Effective Gross Income	**$ 2,704,899**	**$ 10,566**
Maintenance & Operations	1,126,400	4,400
Management Fee	162,294	6.00%
Real Estate Taxes	81,920	320
Replacement Reserves	76,800	300
Total Expenses	**$ 1,447,414**	**$ 5,654**
Net Operating Income	**$ 1,257,485**	**$ 4,912**

REDSTONE™

via e-mail

July 1, 2015

Joe Chambers
Miami Redevelopment Partners, LLC
205 E. Central Blvd., Ste. 304
Orlando, FL 32801

Re: Liberty Rising Phase 3
Miami, FL
204 Units

Dear Mr. Chambers,

Red Stone Tax-Exempt Funding LLC ("Red Stone") is pleased to present Miami Redevelopment Partners, LLC or its affiliates (the "Sponsor") with the following proposal to purchase up to **$23,300,000** of tax-exempt bonds, part of which shall be temporary construction bonds and part of which shall be permanent bonds as outlined below, issued by the Housing Finance Authority of Miami-Dade County (the "Issuer") for the benefit of the above-referenced property (the "Property"). The bond purchase shall hereinafter be defined as the facility (the "Facility").

This letter sets forth the basic business terms and conditions of Red Stone's proposed financing, as well as summarizes key assumptions that Red Stone used in preparation of this proposal that were provided to us by the Sponsor or its representatives.

Structure

Red Stone will provide the financing Facility by purchasing up to $23,300,000 of fixed-rate tax-exempt bonds (the "Bonds") directly or through its designee. The Bonds shall mature 40 years after the closing ("the Closing"), subject to redemption prior to maturity as described below.

The Facility will be composed of two series of Bonds; Series A shall be the permanent bonds and have a term of 40 years, subject to redemption prior to maturity as described below (the "Series A Bonds") and the Series B shall be the construction bonds and have a term of approximately 2 years, subject to redemption prior to maturity as described below (the "Series B Bonds"), jointly referred to as the "Bonds." The amount of each Series shall be as follows:

Series A Bonds: $15,390,000
Series B Bonds: $7,910,000

Red Stone will provide the financing Facility by purchasing the Series A Bonds at Closing, and will work with the Sponsor to facilitate the participation of a construction lender bank (the "Construction Bank") that will acquire the Series B Bonds and credit-enhance the Series A Bonds during construction and lease-up with a stand-by letter of credit (the "Letter of Credit"), as further described herein.

Red Stone will purchase the Series A Bonds at issuance, the Construction Bank will purchase the Series B Bonds on a draw-down basis, and the proceeds will be lent to the Borrower pursuant to a loan agreement (the "Loan Agreement") to be used to pay a portion of the costs incurred by the Borrower for the acquisition and construction of the Property.

The documents evidencing the Facility shall contain covenants, representations, and warranties customarily provided in financing documents for bond financings of this size and nature.

Letter of Credit

Red Stone or the Sponsor shall arrange for the Letter of Credit to be issued for the benefit of the Bond Trustee for the account of the Borrower by a Red Stone-approved financial institution. Obtaining a Letter of Credit shall be a condition precedent to Red Stone's obligation to provide the Facility. The Letter of Credit shall remain outstanding for sixty (60) days following the expiration of the Stabilization Period, and shall at all times have a face-amount equal to 100% of the outstanding amount of the Series A Bonds plus one month's debt service. Red Stone will be entitled to direct the Bond Trustee to draw on the Letter of Credit upon the Borrower's (i) failure to complete construction of the Property before the end of the Construction Period, (ii) failure to achieve Stabilization by the end of the Development Period, (iii) breach of certain covenants relating to the Construction of the Property, or (iv) debt service payment default during the period in which the Letter of Credit is outstanding.

Borrower

[A to-be-formed limited partnership or limited liability company] (the "Borrower")]. The Borrower and [its GENERAL PARTNER(S) (the "General Partner")] shall each be a single-purpose, bankruptcy-remote entity.

Guarantors / Key Principals

ENTITIES (SPONSOR) and/or INDIVIDUALS (Sponsor affiliates to be approved through Red Stone underwriting) (the "Guarantors," Guarantors subject to Red Stone approval) shall provide guarantees of certain specific obligations of the Borrower, as described herein. Guarantors will be required to maintain a minimum amount of net worth and liquidity (cash and cash equivalents) prior to Stabilization (amount and forms to be reasonably determined during underwriting). The Guarantors shall be jointly and severally obligated for certain non-recourse carve-outs as described herein.

Property

The Property, known as Liberty Rising Phase 3, is a multifamily apartment complex that will be a new construction replacement of existing public housing, located in the Liberty City neighborhood of Miami, Florida and consisting of 204 units. The Property will consist of 25 one-bedroom units, 97 two-bedroom units, 48 three-bedroom units, 23 four-bedroom units, and 11 five-bedroom units, comprising approximately 229,950 net rentable square feet.

Capital Expenditures

Funds necessary to construct the Property will be deposited into an escrow account (the "Project Fund") to fund capital expenditures on a schedule and with terms approved by the Construction Bank and Red Stone prior to the Closing Date.

The construction of the Property will be for a period no longer than 18 months from the Closing (the "Construction Period"). During the Construction Period, amounts in the Project Fund shall be disbursed to the Borrower from time to time, not more often than monthly, as the construction progresses, upon submission of a proper requisition with proof of completion of work and approval of such requisition by the Construction Bank and its consulting engineer.

The Borrower will spend a minimum of approximately $24,540,000 ($120,294 per unit) in hard costs for the construction of the Property during the Construction Period. Any monies remaining in the Project Fund at the end of the Construction Period that are not needed for capital items approved by the Construction Bank and Red Stone prior to the Closing Date shall be used to redeem Bonds. The sources and uses are detailed on Exhibit A attached hereto.

NOI

Red Stone's proposal is based on the pro-forma NOI of $1,032,457 (subject to Red Stone's confirmation) as detailed on Exhibit B attached hereto. This figure assumes a 7.0% vacancy rate, a 6.0% must-pay management fee, and $300/unit/year in replacement reserves (subject to confirmation by Red Stone's underwriter and engineer).

Debt Sizing

Red Stone is sizing the Facility based on a minimum 1.15x Debt Service Coverage Ratio and a maximum 85% Loan-to-Value Ratio. Upon completion of the Construction, the Loan Documents shall contain a stabilization requirement ("Stabilization") as defined below.

Stabilization

Stabilization shall mean the point at which the ratio of net operating income of the Property for the prior three months, to a maximum principal and interest payable in any three-month period, equals or exceeds 1.15 to 1.0, and the average monthly occupancy in each of the three consecutive months equals at least 90%. For purposes of the foregoing, net operating income shall be (a) the lesser of (i) actual Property income or (ii) actual Property income adjusted to reflect 7.0% economic vacancy, over (b) the greater of (i) actual Property expenses or (ii) projected expenses determined in Red Stone's underwriting (except for expense line items relating to property taxes, insurance, and utilities, which shall in all cases be actual).

Notwithstanding the above, Stabilization of the Property will occur no later than 30 months from the Closing Date (the "Stabilization Period").

Bond Interest / Ongoing Fees

Beginning on the date of delivery of the Series A Bonds (the "Closing"), interest will be paid monthly at a fixed rate of 4.75% per annum on the Series A Bonds.

	Beginning on the date of delivery of the Series B Bonds (the "Closing"), interest will be paid monthly at a floating rate of LIBOR plus 2.75% per annum on the Series B Bonds. In addition to the above-stated interest rate, the Borrower will pay all Trustee and Issuer fees associated with the transaction.
Term of Bond Purchase	Upon the 17-Year Anniversary of Closing, Red Stone shall have the option, with 6 months' notice, to require a mandatory tender of the Series A Bonds.
Termination	Optional prepayment of the Facility shall be prohibited until 16 years after Closing Date. Thereafter, the Facility may be prepaid at par.
Interest-Only Period	24 Months
Amortization	After the Interest-Only Period, an amount of the Facility equal to the amount of the Series A Bond Amount shall be subject to mandatory redemption in part in monthly installments sufficient to amortize such Bonds fully over 40 years.
Origination Fee	1.50% of the Series A Bond amount, payable to Red Stone at Closing.
Construction Bank Fees and Costs	The Borrower will be responsible for any fees and costs associated with the Construction Letter of Credit. Currently, these are anticipated to be 1.00% of the Bonds at Closing, and 1.25% per annum of the Series A Bond Amount as long as the Letter of Credit is outstanding.
Completion & Stabilization Guarantees	To be negotiated between the Construction Bank and the Sponsor, subject to Red Stone's approval.
LIHTC Equity	In addition to the Bonds, the acquisition and construction of the Property will be funded through the sale of Federal Low Income Housing Tax Credits (the "LIHTCs"). The terms and pay-in commitments of the LIHTC proceeds are subject to the Construction Bank's and Red Stone's review.
Other Sources	The acquisition and construction of the Property shall also be funded with SAIL Funds, ELI Funds, County General Obligation Bonds, PHCD Documentary Surtax Funds, and PHCD CFFP Funds (together the "Soft Funds"). Any payments due under the Soft Funds shall be subordinated to Red Stone's Facility and subject to an Intercreditor Agreement acceptable to Red Stone and its counsel.

MORTGAGE AND NOTE TERMS:

Security / Collateral	The Facility shall be secured at all times by the following: (a) first priority mortgage lien on the Property; (b) first priority assignment of leases and rents; (c) a collateral assignment of the management agreement and all project documents; (d) a general partner/managing member pledge; (e) the aforementioned guaranties; (f) assignment of capital contributions in

respect of the tax credits; (g) an environmental indemnity from the Borrower and the Guarantors.

Non-Recourse

Except as otherwise outlined in this letter, the loan and reimbursement documents will provide specifically that they are non-recourse to the Borrower and its partners, except in the event of fraud, misapplication of funds, and other bad acts.

Other Costs

The Borrower shall be responsible for all Closing costs and expenses of compliance with this proposal, including, but not limited to, costs of the Issuer, Issuer's counsel, bond counsel, Trustee's counsel, Red Stone's counsel, and any costs of the Construction Bank and its counsel. During the Construction Period, the Borrower shall be responsible for third-party inspection draw fees in an amount estimated not to exceed $1,500 per month per property. The Borrower shall also be responsible for any title and transfer costs associated with the transaction. In the event that the proposed transaction does not close for any reason other than the failure of Red Stone to comply with its obligations hereunder, the Borrower shall be responsible for all third-party costs and out-of-pocket costs incurred by Red Stone not satisfied by the Application Deposit.

Property Management

The property management company and the management contract shall be subject to approval by Red Stone. The property management fee shall be 6.0% of Effective Gross Income, and any amount in excess of 6.0% shall be subordinate to payment of interest on the Bonds, third-party fees, and mandatory redemption / sinking-fund payments.

Application & Legal Deposit

$25,000. To be applied to the cost of preparing the third-party appraisal, engineering, and environmental reports, and Red Stone's out-of-pocket underwriting costs. Any unused portion of the deposit shall be returned to the Borrower. Said deposit is payable upon the execution of this financing proposal by Borrower. Red Stone shall use reasonable efforts to coordinate one appraisal, engineering, and environmental report jointly with the Construction Bank and LIHTC Provider.

An additional $25,000 deposit is required to commence legal documentation; however this deposit is not required upon execution of the term sheet.

Reserves & Escrows

Monthly payments to escrow accounts held in the partnership name by the Bond Trustee will be required for taxes, insurance premiums, and replacement reserves. Any draws from the escrow accounts shall require Red Stone's consent. The initial replacement reserves will be set at $300 per unit per year (subject to confirmation by Red Stone's underwriter and engineer).

Operating Reserve

Upon Stabilization, the Borrower has budgeted the funding an Operating Reserve of approximately $580,000. The Borrower shall deposit this amount into an escrow account held by the Trustee (the "Operating Reserve") to be used for debt service payments and/or operating deficits during the Term. The Operating Reserve shall be held in an interest-bearing account and the interest shall be paid to the Borrower annually. Upon maturity of the Facility, the Operating Reserve will be released to the Borrower.

Exclusivity

Upon execution of this financing proposal, the Sponsor agrees (i) to cease its efforts to obtain financing from other sources, (ii) to terminate any other financing proposals currently in process, and (iii) to not sell, lease, or transfer the Property (or any interest therein). This exclusive arrangement shall terminate should Red Stone notify the Sponsor in writing that it does not intend to proceed with this transaction. Breach of this exclusivity clause shall cause the Origination Fee, and any out-of-pocket due diligence costs and legal fees incurred by Red Stone, to be immediately due and payable to Red Stone.

Due Diligence / Conditions to Closing

Red Stone and its agents shall have 60 days to perform due diligence from the later of the date on which Red Stone receives an executed copy of (i) this proposal and the Application Deposit and (ii) necessary preliminary due diligence information as requested by Red Stone. During the due diligence period, Red Stone's due diligence shall include, but not be limited to, engineering and environmental investigations, bond document review, title and survey review, market analysis, satisfactory review of Borrower/Sponsor financial statements, and other investigations deemed appropriate by Red Stone. At its sole discretion, Red Stone has the right, at any time during the due diligence period, to decline to proceed with this proposal, and shall not be under any obligation to the Borrower. In the event that Red Stone declines to proceed with this proposal, the Application Deposit (less actual out-of-pocket costs incurred by Red Stone and authorized hereby) and the Legal Deposit (less all fees and costs actually incurred by Red Stone's counsel) will be returned to the Borrower.

Budgets / Reporting

The Borrower shall provide Red Stone or its designee with an annual budget for operations and capital expenditures to be approved by Red Stone within 30 days of submission. Periodic reporting requirements shall include delivery of operating statements, occupancy reports, rent rolls, and other reports reasonably requested by Red Stone.

The Borrower shall provide to Red Stone an annual audit report of each Property's financial statements from a firm approved by Red Stone, not more than 120 days after the end of each fiscal year.

Other

At Closing, Red Stone will purchase the Bonds directly or indirectly with a designee through a placement agent or underwriter at no cost to the Borrower. The designee (usually a large financial institution) will abide by all the terms included in this term sheet. To the extent permitted by the Issuer, the Bonds will be issued in book-entry-only form and purchased

through a DTC participant selected by Red Stone.

Red Stone reserves the right to sell, assign, or participate all or part of their interests in the Facility in a form they find satisfactory, provided the sale does not adversely affect the Borrower or increase the costs, expenses, or obligations of the Borrower.

The Borrower shall cooperate fully with Red Stone in this matter, and shall take all actions reasonably requested by Red Stone and the new participant, but will not be required to enter into any documents which are materially-adverse to the Borrower. The Borrower shall not incur any costs or additional liability from any such transfer or securitization.

Except as otherwise outlined in this letter, the loan and reimbursement documents will provide specifically that they are non-recourse to the Borrower and its partners, except in the event of fraud, misapplication of funds, and other bad acts, as outlined above in the Non-Recourse section.

Offer Expiration If the terms set forth in this letter are satisfactory, please indicate your acceptance by executing and returning to Red Stone a copy of this letter and the Application Deposit before August 1, 2015. If you have not done so by such date, this proposal shall expire and be of no further effect. It is also understood that the economic terms outlined herein shall remain valid through December 31, 2015, subject to current bond market conditions.

This letter is a proposal for the purchase of up to $23,300,000 of tax-exempt bonds. This letter does not constitute a commitment or approval to lend or purchase in any manner. Any commitment by Red Stone to lend or purchase the Bonds is contingent upon the completion and ratification by Red Stone's Board of Directors of our due diligence review.

Very truly yours,

Red Stone Tax Exempt Funding LLC

Cody Z. Langeness
Managing Director

Agreed and Accepted:

Miami Redevelopment Partners, LLC

By: _____

Name: _____

Title: _____

Date: _____

Exhibit A: Red Stone Underwriting Sources & Uses

Permanent Sources	
First Mortgage	15,390,000
FHFC SAIL Loan	5,000,000
FHFC ELI Loan	650,312
County General Obligation Bonds	5,017,294
PHCD Documentary Surtax Funds	1,203,540
PHCD CFFP	1,604,720
LIHTC Equity	19,858,428
RAD Subsidy During Construction	524,319
Other Public and Private Funds	155,000
Total Permanent Sources	**$ 49,403,612**

Permanent Uses	
Hard Costs:	
Demolition & Remediation	986,544
Infrastructure	2,040,000
Residential Hard Construction Costs	24,537,854
General Conditions	1,378,220
Contractor Overhead	551,288
Contractor Profit	1,653,864
P&P Bond	275,644
Contingency	1,378,220
Architetcural & Engineering Costs:	
Architecture (Design)	730,000
Architecture (Supervision)	200,000
Engineering	400,000
Soils Testing	70,000
Survey & As-Built Survey	30,000
Financing Costs:	
Construction Loan Interest	1,106,750
Bank Construction Orgination	352,267
Bank LC Annual Fees	469,689
Negative Arbitrage	524,250
Bond Issuance Costs	850,450
Title & Recording	310,000
Legal Fees:	
Developer Legal	200,000
Housing Authority legal	60,000
Syndication Costs	50,000
Other Soft Costs:	
Owner's Insurance	720,000
Accountant and Audit	15,000
Cost Certification	20,000
Appraisal & Market Study	25,000
Environmental Studies	25,000
Green Building Certification/Inspections	75,000
FHFC Administrative Fee	144,439
FHFC Application Fee	3,000
FHFC Compliance Monitoring Fee	114,667
FHFC Commitment Fee	233,000
FHFC Credit Underwriting Fee	11,511
FHFC Construction Servicing Fee	7,422
PILOT Fees/R.E. Taxes during Const.	60,000
Utility Tap Fees	250,000
Relocation	444,288
Tax & Insurance Escrow	330,000
Soft Cost Contingency/Working Capital	341,619
Marketing & Rent-up	228,075
Reserves:	
Operating Reserve	580,000
Lease-up Reserve	204,000
Developer Fees:	
Developer Fee and Overhead	7,416,551
Total Permanent Uses	**$ 49,403,612**

Exhibit B: Red Stone Underwriting Net Operating Income

	Red Stone Underwriting	Per Unit
Gross Potential	**$ 2,334,599**	**$ 11,444**
Less:		
Vacancy	(163,422)	7.00%
Non Revenue	-	0.00%
Bad Debt / Collection Loss	-	0.00%
Total Rent Loss	(163,422)	7.00%
Plus:		
Total Other Income	16,628	82
Effective Gross Income	**$ 2,187,806**	**$ 10,725**
Maintenance & Operations	897,600	4,400
Management Fee	131,268	6.00%
Real Estate Taxes	65,280	320
Replacement Reserves	61,200	300
Total Expenses	**$ 1,155,348**	**$ 5,663**
Net Operating Income	**$ 1,032,457**	**$ 5,061**

REDSTONE™

via e-mail

July 1, 2015

Joe Chambers
Miami Redevelopment Partners, LLC
205 E. Central Blvd., Ste. 304
Orlando, FL 32801

Re: Liberty Rising Phase 4
Miami, FL
186 Units

Dear Mr. Chambers,

Red Stone Tax-Exempt Funding LLC ("Red Stone") is pleased to present Miami Redevelopment Partners, LLC or its affiliates (the "Sponsor") with the following proposal to purchase up to **$21,300,000** of tax-exempt bonds, part of which shall be temporary construction bonds and part of which shall be permanent bonds as outlined below, issued by the Housing Finance Authority of Miami-Dade County (the "Issuer") for the benefit of the above-referenced property (the "Property"). The bond purchase shall hereinafter be defined as the facility (the "Facility").

This letter sets forth the basic business terms and conditions of Red Stone's proposed financing, as well as summarizes key assumptions that Red Stone used in preparation of this proposal that were provided to us by the Sponsor or its representatives.

Structure

Red Stone will provide the financing Facility by purchasing up to $21,300,000 of fixed-rate tax-exempt bonds (the "Bonds") directly or through its designee. The Bonds shall mature 40 years after the closing ("the Closing"), subject to redemption prior to maturity as described below.

The Facility will be composed of two series of Bonds; Series A shall be the permanent bonds and have a term of 40 years, subject to redemption prior to maturity as described below (the "Series A Bonds") and the Series B shall be the construction bonds and have a term of approximately 2 years, subject to redemption prior to maturity as described below (the "Series B Bonds"), jointly referred to as the "Bonds." The amount of each Series shall be as follows:

Series A Bonds: $13,710,000
Series B Bonds: $7,590,000

Red Stone will provide the financing Facility by purchasing the Series A Bonds at Closing, and will work with the Sponsor to facilitate the participation of a construction lender bank (the "Construction Bank") that will acquire the Series B Bonds and credit-enhance the Series A Bonds during construction and lease-up with a stand-by letter of credit (the "Letter of Credit"), as further described herein.

Red Stone will purchase the Series A Bonds at issuance, the Construction Bank will purchase the Series B Bonds on a draw-down basis, and the proceeds will be lent to the Borrower pursuant to a loan agreement (the "Loan Agreement") to be used to pay a portion of the costs incurred by the Borrower for the acquisition and construction of the Property.

The documents evidencing the Facility shall contain covenants, representations, and warranties customarily provided in financing documents for bond financings of this size and nature.

Letter of Credit

Red Stone or the Sponsor shall arrange for the Letter of Credit to be issued for the benefit of the Bond Trustee for the account of the Borrower by a Red Stone-approved financial institution. Obtaining a Letter of Credit shall be a condition precedent to Red Stone's obligation to provide the Facility. The Letter of Credit shall remain outstanding for sixty (60) days following the expiration of the Stabilization Period, and shall at all times have a face-amount equal to 100% of the outstanding amount of the Series A Bonds plus one month's debt service. Red Stone will be entitled to direct the Bond Trustee to draw on the Letter of Credit upon the Borrower's (i) failure to complete construction of the Property before the end of the Construction Period, (ii) failure to achieve Stabilization by the end of the Development Period, (iii) breach of certain covenants relating to the Construction of the Property, or (iv) debt service payment default during the period in which the Letter of Credit is outstanding.

Borrower

[A to-be-formed limited partnership or limited liability company] (the "Borrower")]. The Borrower and [its GENERAL PARTNER(S) (the "General Partner")] shall each be a single-purpose, bankruptcy-remote entity.

Guarantors / Key Principals

ENTITIES (SPONSOR) and/or INDIVIDUALS (Sponsor affiliates to be approved through Red Stone underwriting) (the "Guarantors," Guarantors subject to Red Stone approval) shall provide guarantees of certain specific obligations of the Borrower, as described herein. Guarantors will be required to maintain a minimum amount of net worth and liquidity (cash and cash equivalents) prior to Stabilization (amount and forms to be reasonably determined during underwriting). The Guarantors shall be jointly and severally obligated for certain non-recourse carve-outs as described herein.

Property

The Property, known as Liberty Rising Phase 4, is a multifamily apartment complex that will be a new construction replacement of existing public housing, located in the Liberty City neighborhood of Miami, Florida and consisting of 186 units. The Property will consist of 23 one-bedroom units, 89 two-bedroom units, 44 three-bedroom units, 21 four-bedroom units, and 9 five-bedroom units, comprising approximately 209,250 net rentable square feet.

Capital Expenditures

Funds necessary to construct the Property will be deposited into an escrow account (the "Project Fund") to fund capital expenditures on a schedule and with terms approved by the Construction Bank and Red Stone prior to the Closing Date.

The construction of the Property will be for a period no longer than 18 months from the Closing (the "Construction Period"). During the Construction Period, amounts in the Project Fund shall be disbursed to the Borrower from time to time, not more often than monthly, as the construction progresses, upon submission of a proper requisition with proof of completion of work and approval of such requisition by the Construction Bank and its consulting engineer.

The Borrower will spend a minimum of approximately $22,380,000 ($120,323 per unit) in hard costs for the construction of the Property during the Construction Period. Any monies remaining in the Project Fund at the end of the Construction Period that are not needed for capital items approved by the Construction Bank and Red Stone prior to the Closing Date shall be used to redeem Bonds. The sources and uses are detailed on Exhibit A attached hereto.

NOI

Red Stone's proposal is based on the pro-forma NOI of $919,629 (subject to Red Stone's confirmation) as detailed on Exhibit B attached hereto. This figure assumes a 7.0% vacancy rate, a 6.0% must-pay management fee, and $300/unit/year in replacement reserves (subject to confirmation by Red Stone's underwriter and engineer).

Debt Sizing

Red Stone is sizing the Facility based on a minimum 1.15x Debt Service Coverage Ratio and a maximum 85% Loan-to-Value Ratio. Upon completion of the Construction, the Loan Documents shall contain a stabilization requirement ("Stabilization") as defined below.

Stabilization

Stabilization shall mean the point at which the ratio of net operating income of the Property for the prior three months, to a maximum principal and interest payable in any three-month period, equals or exceeds 1.15 to 1.0, and the average monthly occupancy in each of the three consecutive months equals at least 90%. For purposes of the foregoing, net operating income shall be (a) the lesser of (i) actual Property income or (ii) actual Property income adjusted to reflect 7.0% economic vacancy, over (b) the greater of (i) actual Property expenses or (ii) projected expenses determined in Red Stone's underwriting (except for expense line items relating to property taxes, insurance, and utilities, which shall in all cases be actual).

Notwithstanding the above, Stabilization of the Property will occur no later than 30 months from the Closing Date (the "Stabilization Period").

Bond Interest / Ongoing Fees

Beginning on the date of delivery of the Series A Bonds (the "Closing"), interest will be paid monthly at a fixed rate of 4.75% per annum on the Series A Bonds.

	Beginning on the date of delivery of the Series B Bonds (the "Closing"), interest will be paid monthly at a floating rate of LIBOR plus 2.75% per annum on the Series B Bonds. In addition to the above-stated interest rate, the Borrower will pay all Trustee and Issuer fees associated with the transaction.
Term of Bond Purchase	Upon the 17-Year Anniversary of Closing, Red Stone shall have the option, with 6 months' notice, to require a mandatory tender of the Series A Bonds.
Termination	Optional prepayment of the Facility shall be prohibited until 16 years after Closing Date. Thereafter, the Facility may be prepaid at par.
Interest-Only Period	24 Months
Amortization	After the Interest-Only Period, an amount of the Facility equal to the amount of the Series A Bond Amount shall be subject to mandatory redemption in part in monthly installments sufficient to amortize such Bonds fully over 40 years.
Origination Fee	1.50% of the Series A Bond amount, payable to Red Stone at Closing.
Construction Bank Fees and Costs	The Borrower will be responsible for any fees and costs associated with the Construction Letter of Credit. Currently, these are anticipated to be 1.00% of the Bonds at Closing, and 1.25% per annum of the Series A Bond Amount as long as the Letter of Credit is outstanding.
Completion & Stabilization Guarantees	To be negotiated between the Construction Bank and the Sponsor, subject to Red Stone's approval.
LIHTC Equity	In addition to the Bonds, the acquisition and construction of the Property will be funded through the sale of Federal Low Income Housing Tax Credits (the "LIHTCs"). The terms and pay-in commitments of the LIHTC proceeds are subject to the Construction Bank's and Red Stone's review.
Other Sources	The acquisition and construction of the Property shall also be funded with SAIL Funds, ELI Funds, County General Obligation Bonds, PHCD Documentary Surtax Funds, and PHCD CFFP Funds (together the "Soft Funds"). Any payments due under the Soft Funds shall be subordinated to Red Stone's Facility and subject to an Intercreditor Agreement acceptable to Red Stone and its counsel.

MORTGAGE AND NOTE TERMS:

Security / Collateral	The Facility shall be secured at all times by the following: (a) first priority mortgage lien on the Property; (b) first priority assignment of leases and rents; (c) a collateral assignment of the management agreement and all project documents; (d) a general partner/managing member pledge; (e) the aforementioned guaranties; (f) assignment of capital contributions in

respect of the tax credits; (g) an environmental indemnity from the Borrower and the Guarantors.

Non-Recourse

Except as otherwise outlined in this letter, the loan and reimbursement documents will provide specifically that they are non-recourse to the Borrower and its partners, except in the event of fraud, misapplication of funds, and other bad acts.

Other Costs

The Borrower shall be responsible for all Closing costs and expenses of compliance with this proposal, including, but not limited to, costs of the Issuer, Issuer's counsel, bond counsel, Trustee's counsel, Red Stone's counsel, and any costs of the Construction Bank and its counsel. During the Construction Period, the Borrower shall be responsible for third-party inspection draw fees in an amount estimated not to exceed $1,500 per month per property. The Borrower shall also be responsible for any title and transfer costs associated with the transaction. In the event that the proposed transaction does not close for any reason other than the failure of Red Stone to comply with its obligations hereunder, the Borrower shall be responsible for all third-party costs and out-of-pocket costs incurred by Red Stone not satisfied by the Application Deposit.

Property Management

The property management company and the management contract shall be subject to approval by Red Stone. The property management fee shall be 6.0% of Effective Gross Income, and any amount in excess of 6.0% shall be subordinate to payment of interest on the Bonds, third-party fees, and mandatory redemption / sinking-fund payments.

Application & Legal Deposit

$25,000. To be applied to the cost of preparing the third-party appraisal, engineering, and environmental reports, and Red Stone's out-of-pocket underwriting costs. Any unused portion of the deposit shall be returned to the Borrower. Said deposit is payable upon the execution of this financing proposal by Borrower. Red Stone shall use reasonable efforts to coordinate one appraisal, engineering, and environmental report jointly with the Construction Bank and LIHTC Provider.

An additional $25,000 deposit is required to commence legal documentation; however this deposit is not required upon execution of the term sheet.

Reserves & Escrows

Monthly payments to escrow accounts held in the partnership name by the Bond Trustee will be required for taxes, insurance premiums, and replacement reserves. Any draws from the escrow accounts shall require Red Stone's consent. The initial replacement reserves will be set at $300 per unit per year (subject to confirmation by Red Stone's underwriter and engineer).

Operating Reserve

Upon Stabilization, the Borrower has budgeted the funding an Operating Reserve of approximately $530,000. The Borrower shall deposit this amount into an escrow account held by the Trustee (the "Operating Reserve") to be used for debt service payments and/or operating deficits during the Term. The Operating Reserve shall be held in an interest-bearing account and the interest shall be paid to the Borrower annually. Upon maturity of the Facility, the Operating Reserve will be released to the Borrower.

Exclusivity

Upon execution of this financing proposal, the Sponsor agrees (i) to cease its efforts to obtain financing from other sources, (ii) to terminate any other financing proposals currently in process, and (iii) to not sell, lease, or transfer the Property (or any interest therein). This exclusive arrangement shall terminate should Red Stone notify the Sponsor in writing that it does not intend to proceed with this transaction. Breach of this exclusivity clause shall cause the Origination Fee, and any out-of-pocket due diligence costs and legal fees incurred by Red Stone, to be immediately due and payable to Red Stone.

Due Diligence / Conditions to Closing

Red Stone and its agents shall have 60 days to perform due diligence from the later of the date on which Red Stone receives an executed copy of (i) this proposal and the Application Deposit and (ii) necessary preliminary due diligence information as requested by Red Stone. During the due diligence period, Red Stone's due diligence shall include, but not be limited to, engineering and environmental investigations, bond document review, title and survey review, market analysis, satisfactory review of Borrower/Sponsor financial statements, and other investigations deemed appropriate by Red Stone. At its sole discretion, Red Stone has the right, at any time during the due diligence period, to decline to proceed with this proposal, and shall not be under any obligation to the Borrower. In the event that Red Stone declines to proceed with this proposal, the Application Deposit (less actual out-of-pocket costs incurred by Red Stone and authorized hereby) and the Legal Deposit (less all fees and costs actually incurred by Red Stone's counsel) will be returned to the Borrower.

Budgets / Reporting

The Borrower shall provide Red Stone or its designee with an annual budget for operations and capital expenditures to be approved by Red Stone within 30 days of submission. Periodic reporting requirements shall include delivery of operating statements, occupancy reports, rent rolls, and other reports reasonably requested by Red Stone.

The Borrower shall provide to Red Stone an annual audit report of each Property's financial statements from a firm approved by Red Stone, not more than 120 days after the end of each fiscal year.

Other

At Closing, Red Stone will purchase the Bonds directly or indirectly with a designee through a placement agent or underwriter at no cost to the Borrower. The designee (usually a large financial institution) will abide by all the terms included in this term sheet. To the extent permitted by the Issuer, the Bonds will be issued in book-entry-only form and purchased

through a DTC participant selected by Red Stone.

Red Stone reserves the right to sell, assign, or participate all or part of their interests in the Facility in a form they find satisfactory, provided the sale does not adversely affect the Borrower or increase the costs, expenses, or obligations of the Borrower.

The Borrower shall cooperate fully with Red Stone in this matter, and shall take all actions reasonably requested by Red Stone and the new participant, but will not be required to enter into any documents which are materially-adverse to the Borrower. The Borrower shall not incur any costs or additional liability from any such transfer or securitization.

Except as otherwise outlined in this letter, the loan and reimbursement documents will provide specifically that they are non-recourse to the Borrower and its partners, except in the event of fraud, misapplication of funds, and other bad acts, as outlined above in the Non-Recourse section.

Offer Expiration If the terms set forth in this letter are satisfactory, please indicate your acceptance by executing and returning to Red Stone a copy of this letter and the Application Deposit before August 1, 2015. If you have not done so by such date, this proposal shall expire and be of no further effect. It is also understood that the economic terms outlined herein shall remain valid through December 31, 2015, subject to current bond market conditions.

This letter is a proposal for the purchase of up to $21,300,000 of tax-exempt bonds. This letter does not constitute a commitment or approval to lend or purchase in any manner. Any commitment by Red Stone to lend or purchase the Bonds is contingent upon the completion and ratification by Red Stone's Board of Directors of our due diligence review.

Very truly yours,

Red Stone Tax Exempt Funding LLC

Cody Z. Langeness
Managing Director

Agreed and Accepted:

Miami Redevelopment Partners, LLC

By: _____

Name: _____

Title: _____

Date: _____

Exhibit A: Red Stone Underwriting Sources & Uses

Permanent Sources	
First Mortgage	13,710,000
FHFC SAIL Loan	5,000,000
FHFC ELI Loan	585,023
County General Obligation Bonds	4,481,221
PHCD Documentary Surtax Funds	1,097,345
PHCD CFFP	1,463,127
LIHTC Equity	18,110,776
RAD Subsidy During Construction	474,884
Other Public and Private Funds	155,000
Total Permanent Sources	**$ 45,077,375**

Permanent Uses	
Hard Costs:	
Demolition & Remediation	899,496
Infrastructure	1,860,000
Residential Hard Construction Costs	22,379,743
General Conditions	1,256,962
Contractor Overhead	502,785
Contractor Profit	1,508,354
P&P Bond	251,392
Contingency	1,256,962
Architetcural & Engineering Costs:	
Architecture (Design)	670,000
Architecture (Supervision)	180,000
Engineering	360,000
Soils Testing	70,000
Survey & As-Built Survey	30,000
Financing Costs:	
Construction Loan Interest	1,011,750
Bank Construction Orgination	322,029
Bank LC Annual Fees	429,373
Negative Arbitrage	479,250
Bond Issuance Costs	777,450
Title & Recording	280,000
Legal Fees:	
Developer Legal	200,000
Housing Authority legal	60,000
Syndication Costs	50,000
Other Soft Costs:	
Owner's Insurance	650,000
Accountant and Audit	15,000
Cost Certification	20,000
Appraisal & Market Study	25,000
Environmental Studies	25,000
Green Building Certification/Inspections	75,000
FHFC Administrative Fee	131,728
FHFC Application Fee	3,000
FHFC Compliance Monitoring Fee	109,505
FHFC Commitment Fee	213,000
FHFC Credit Underwriting Fee	11,511
FHFC Construction Servicing Fee	7,422
PILOT Fees/R.E. Taxes during Const.	60,000
Utility Tap Fees	250,000
Relocation	338,505
Tax & Insurance Escrow	300,000
Soft Cost Contingency/Working Capital	310,537
Marketing & Rent-up	213,632
Reserves:	
Operating Reserve	530,000
Lease-up Reserve	186,000
Developer Fees:	
Developer Fee and Overhead	6,766,989
Total Permanent Uses	**$ 45,077,375**

Exhibit B: Red Stone Underwriting Net Operating Income

	Red Stone Underwriting	Per Unit
Gross Potential	**$ 2,102,171**	**$ 11,302**
Less:		
Vacancy	(147,152)	7.00%
Non Revenue	-	0.00%
Bad Debt / Collection Loss	-	0.00%
Total Rent Loss	(147,152)	7.00%
Plus:		
Total Other Income	16,628	89
Effective Gross Income	**$ 1,971,648**	**$ 10,600**
Maintenance & Operations	818,400	4,400
Management Fee	118,299	6.00%
Real Estate Taxes	59,520	320
Replacement Reserves	55,800	300
Total Expenses	**$ 1,052,019**	**$ 5,656**
Net Operating Income	**$ 919,629**	**$ 4,944**

REDSTONE™

via e-mail

July 1, 2015

Joe Chambers
Miami Redevelopment Partners, LLC
205 E. Central Blvd., Ste. 304
Orlando, FL 32801

Re: Liberty Rising Phase 5
Miami, FL
186 Units

Dear Mr. Chambers,

Red Stone Tax-Exempt Funding LLC ("Red Stone") is pleased to present Miami Redevelopment Partners, LLC or its affiliates (the "Sponsor") with the following proposal to purchase up to **$21,300,000** of tax-exempt bonds, part of which shall be temporary construction bonds and part of which shall be permanent bonds as outlined below, issued by the Housing Finance Authority of Miami-Dade County (the "Issuer") for the benefit of the above-referenced property (the "Property"). The bond purchase shall hereinafter be defined as the facility (the "Facility").

This letter sets forth the basic business terms and conditions of Red Stone's proposed financing, as well as summarizes key assumptions that Red Stone used in preparation of this proposal that were provided to us by the Sponsor or its representatives.

Structure

Red Stone will provide the financing Facility by purchasing up to $21,300,000 of fixed-rate tax-exempt bonds (the "Bonds") directly or through its designee. The Bonds shall mature 40 years after the closing ("the Closing"), subject to redemption prior to maturity as described below.

The Facility will be composed of two series of Bonds; Series A shall be the permanent bonds and have a term of 40 years, subject to redemption prior to maturity as described below (the "Series A Bonds") and the Series B shall be the construction bonds and have a term of approximately 2 years, subject to redemption prior to maturity as described below (the "Series B Bonds"), jointly referred to as the "Bonds." The amount of each Series shall be as follows:

Series A Bonds: $13,550,000
Series B Bonds: $7,750,000

Red Stone will provide the financing Facility by purchasing the Series A Bonds at Closing, and will work with the Sponsor to facilitate the participation of a construction lender bank (the "Construction Bank") that will acquire the Series B Bonds and credit-enhance the Series A Bonds during construction and lease-up with a stand-by letter of credit (the "Letter of Credit"), as further described herein.

Red Stone will purchase the Series A Bonds at issuance, the Construction Bank will purchase the Series B Bonds on a draw-down basis, and the proceeds will be lent to the Borrower pursuant to a loan agreement (the "Loan Agreement") to be used to pay a portion of the costs incurred by the Borrower for the acquisition and construction of the Property.

The documents evidencing the Facility shall contain covenants, representations, and warranties customarily provided in financing documents for bond financings of this size and nature.

Letter of Credit

Red Stone or the Sponsor shall arrange for the Letter of Credit to be issued for the benefit of the Bond Trustee for the account of the Borrower by a Red Stone-approved financial institution. Obtaining a Letter of Credit shall be a condition precedent to Red Stone's obligation to provide the Facility. The Letter of Credit shall remain outstanding for sixty (60) days following the expiration of the Stabilization Period, and shall at all times have a face-amount equal to 100% of the outstanding amount of the Series A Bonds plus one month's debt service. Red Stone will be entitled to direct the Bond Trustee to draw on the Letter of Credit upon the Borrower's (i) failure to complete construction of the Property before the end of the Construction Period, (ii) failure to achieve Stabilization by the end of the Development Period, (iii) breach of certain covenants relating to the Construction of the Property, or (iv) debt service payment default during the period in which the Letter of Credit is outstanding.

Borrower

[A to-be-formed limited partnership or limited liability company] (the "Borrower")]. The Borrower and [its GENERAL PARTNER(S) (the "General Partner")] shall each be a single-purpose, bankruptcy-remote entity.

Guarantors / Key Principals

ENTITIES (SPONSOR) and/or INDIVIDUALS (Sponsor affiliates to be approved through Red Stone underwriting) (the "Guarantors," Guarantors subject to Red Stone approval) shall provide guarantees of certain specific obligations of the Borrower, as described herein. Guarantors will be required to maintain a minimum amount of net worth and liquidity (cash and cash equivalents) prior to Stabilization (amount and forms to be reasonably determined during underwriting). The Guarantors shall be jointly and severally obligated for certain non-recourse carve-outs as described herein.

Property

The Property, known as Liberty Rising Phase 5, is a multifamily apartment complex that will be a new construction replacement of existing public housing, located in the Liberty City neighborhood of Miami, Florida and consisting of 186 units. The Property will consist of 23 one-bedroom units, 89 two-bedroom units, 44 three-bedroom units, 21 four-bedroom units, and 9 five-bedroom units, comprising approximately 209,250 net rentable square feet.

Capital Expenditures

Funds necessary to construct the Property will be deposited into an escrow account (the "Project Fund") to fund capital expenditures on a schedule and with terms approved by the Construction Bank and Red Stone prior to the Closing Date.

The construction of the Property will be for a period no longer than 18 months from the Closing (the "Construction Period"). During the Construction Period, amounts in the Project Fund shall be disbursed to the Borrower from time to time, not more often than monthly, as the construction progresses, upon submission of a proper requisition with proof of completion of work and approval of such requisition by the Construction Bank and its consulting engineer.

The Borrower will spend a minimum of approximately $22,380,000 ($120,323 per unit) in hard costs for the construction of the Property during the Construction Period. Any monies remaining in the Project Fund at the end of the Construction Period that are not needed for capital items approved by the Construction Bank and Red Stone prior to the Closing Date shall be used to redeem Bonds. The sources and uses are detailed on Exhibit A attached hereto.

NOI

Red Stone's proposal is based on the pro-forma NOI of $908,834 (subject to Red Stone's confirmation) as detailed on Exhibit B attached hereto. This figure assumes a 7.0% vacancy rate, a 6.0% must-pay management fee, and $300/unit/year in replacement reserves (subject to confirmation by Red Stone's underwriter and engineer).

Debt Sizing

Red Stone is sizing the Facility based on a minimum 1.15x Debt Service Coverage Ratio and a maximum 85% Loan-to-Value Ratio. Upon completion of the Construction, the Loan Documents shall contain a stabilization requirement ("Stabilization") as defined below.

Stabilization

Stabilization shall mean the point at which the ratio of net operating income of the Property for the prior three months, to a maximum principal and interest payable in any three-month period, equals or exceeds 1.15 to 1.0, and the average monthly occupancy in each of the three consecutive months equals at least 90%. For purposes of the foregoing, net operating income shall be (a) the lesser of (i) actual Property income or (ii) actual Property income adjusted to reflect 7.0% economic vacancy, over (b) the greater of (i) actual Property expenses or (ii) projected expenses determined in Red Stone's underwriting (except for expense line items relating to property taxes, insurance, and utilities, which shall in all cases be actual).

Notwithstanding the above, Stabilization of the Property will occur no later than 30 months from the Closing Date (the "Stabilization Period").

Bond Interest / Ongoing Fees

Beginning on the date of delivery of the Series A Bonds (the "Closing"), interest will be paid monthly at a fixed rate of 4.75% per annum on the Series A Bonds.

	Beginning on the date of delivery of the Series B Bonds (the "Closing"), interest will be paid monthly at a floating rate of LIBOR plus 2.75% per annum on the Series B Bonds. In addition to the above-stated interest rate, the Borrower will pay all Trustee and Issuer fees associated with the transaction.
Term of Bond Purchase	Upon the 17-Year Anniversary of Closing, Red Stone shall have the option, with 6 months' notice, to require a mandatory tender of the Series A Bonds.
Termination	Optional prepayment of the Facility shall be prohibited until 16 years after Closing Date. Thereafter, the Facility may be prepaid at par.
Interest-Only Period	24 Months
Amortization	After the Interest-Only Period, an amount of the Facility equal to the amount of the Series A Bond Amount shall be subject to mandatory redemption in part in monthly installments sufficient to amortize such Bonds fully over 40 years.
Origination Fee	1.50% of the Series A Bond amount, payable to Red Stone at Closing.
Construction Bank Fees and Costs	The Borrower will be responsible for any fees and costs associated with the Construction Letter of Credit. Currently, these are anticipated to be 1.00% of the Bonds at Closing, and 1.25% per annum of the Series A Bond Amount as long as the Letter of Credit is outstanding.
Completion & Stabilization Guarantees	To be negotiated between the Construction Bank and the Sponsor, subject to Red Stone's approval.
LIHTC Equity	In addition to the Bonds, the acquisition and construction of the Property will be funded through the sale of Federal Low Income Housing Tax Credits (the "LIHTCs"). The terms and pay-in commitments of the LIHTC proceeds are subject to the Construction Bank's and Red Stone's review.
Other Sources	The acquisition and construction of the Property shall also be funded with SAIL Funds, ELI Funds, County General Obligation Bonds, PHCD Documentary Surtax Funds, and PHCD CFFP Funds (together the "Soft Funds"). Any payments due under the Soft Funds shall be subordinated to Red Stone's Facility and subject to an Intercreditor Agreement acceptable to Red Stone and its counsel.

MORTGAGE AND NOTE TERMS:

Security / Collateral	The Facility shall be secured at all times by the following: (a) first priority mortgage lien on the Property; (b) first priority assignment of leases and rents; (c) a collateral assignment of the management agreement and all project documents; (d) a general partner/managing member pledge; (e) the aforementioned guaranties; (f) assignment of capital contributions in

respect of the tax credits; (g) an environmental indemnity from the Borrower and the Guarantors.

Non-Recourse

Except as otherwise outlined in this letter, the loan and reimbursement documents will provide specifically that they are non-recourse to the Borrower and its partners, except in the event of fraud, misapplication of funds, and other bad acts.

Other Costs

The Borrower shall be responsible for all Closing costs and expenses of compliance with this proposal, including, but not limited to, costs of the Issuer, Issuer's counsel, bond counsel, Trustee's counsel, Red Stone's counsel, and any costs of the Construction Bank and its counsel. During the Construction Period, the Borrower shall be responsible for third-party inspection draw fees in an amount estimated not to exceed $1,500 per month per property. The Borrower shall also be responsible for any title and transfer costs associated with the transaction. In the event that the proposed transaction does not close for any reason other than the failure of Red Stone to comply with its obligations hereunder, the Borrower shall be responsible for all third-party costs and out-of-pocket costs incurred by Red Stone not satisfied by the Application Deposit.

Property Management

The property management company and the management contract shall be subject to approval by Red Stone. The property management fee shall be 6.0% of Effective Gross Income, and any amount in excess of 6.0% shall be subordinate to payment of interest on the Bonds, third-party fees, and mandatory redemption / sinking-fund payments.

Application & Legal Deposit

$25,000. To be applied to the cost of preparing the third-party appraisal, engineering, and environmental reports, and Red Stone's out-of-pocket underwriting costs. Any unused portion of the deposit shall be returned to the Borrower. Said deposit is payable upon the execution of this financing proposal by Borrower. Red Stone shall use reasonable efforts to coordinate one appraisal, engineering, and environmental report jointly with the Construction Bank and LIHTC Provider.

An additional $25,000 deposit is required to commence legal documentation; however this deposit is not required upon execution of the term sheet.

Reserves & Escrows

Monthly payments to escrow accounts held in the partnership name by the Bond Trustee will be required for taxes, insurance premiums, and replacement reserves. Any draws from the escrow accounts shall require Red Stone's consent. The initial replacement reserves will be set at $300 per unit per year (subject to confirmation by Red Stone's underwriter and engineer).

Operating Reserve

Upon Stabilization, the Borrower has budgeted the funding an Operating Reserve of approximately $530,000. The Borrower shall deposit this amount into an escrow account held by the Trustee (the "Operating Reserve") to be used for debt service payments and/or operating deficits during the Term. The Operating Reserve shall be held in an interest-bearing account and the interest shall be paid to the Borrower annually. Upon maturity of the Facility, the Operating Reserve will be released to the Borrower.

Exclusivity

Upon execution of this financing proposal, the Sponsor agrees (i) to cease its efforts to obtain financing from other sources, (ii) to terminate any other financing proposals currently in process, and (iii) to not sell, lease, or transfer the Property (or any interest therein). This exclusive arrangement shall terminate should Red Stone notify the Sponsor in writing that it does not intend to proceed with this transaction. Breach of this exclusivity clause shall cause the Origination Fee, and any out-of-pocket due diligence costs and legal fees incurred by Red Stone, to be immediately due and payable to Red Stone.

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Very truly yours,

Red Stone Tax Exempt Funding LLC

Cody Z. Langeness
Managing Director

Agreed and Accepted:

Miami Redevelopment Partners, LLC

By: _____

Name: _____

Title: _____

Date: _____

Exhibit A: Red Stone Underwriting Sources & Uses

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Other Public and Private Funds	155,000
Total Permanent Sources	**$ 45,073,087**

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Construction Loan Interest	1,011,750
Bank Construction Orgination	322,029
Bank LC Annual Fees	429,373
Negative Arbitrage	479,250
Bond Issuance Costs	777,450
Title & Recording	280,000
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Developer Legal	200,000
Housing Authority legal	60,000
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Accountant and Audit	15,000
Cost Certification	20,000
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Relocation	338,505
Tax & Insurance Escrow	300,000
Soft Cost Contingency/Working Capital	310,364
Marketing & Rent-up	210,158
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Operating Reserve	530,000
Lease-up Reserve	186,000
Developer Fees:	
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Total Permanent Uses	**$ 45,073,087**

Exhibit B: Red Stone Underwriting Net Operating Income

	Red Stone Underwriting	Per Unit
Gross Potential	**$ 2,089,823**	**$ 11,236**
Less:		
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Plus:		
Total Other Income	16,628	89
Effective Gross Income	**$ 1,960,164**	**$ 10,539**
Maintenance & Operations	818,400	4,400
Management Fee	117,610	6.00%
Real Estate Taxes	59,520	320
Replacement Reserves	55,800	300
Total Expenses	**$ 1,051,330**	**$ 5,652**
Net Operating Income	**$ 908,834**	**$ 4,886**

July 6, 2015

En Jung Kim
Vice President
Community Development Banking – NMTC Group
Chase Commercial Banking
270 Park Avenue, FL 45
MC NY1-K425
New York, NY 10017

Joe Chambers
Miami Redevelopment Partners, LLC
205 E. Central Blvd., Ste. 304
Orlando, FL 32801

Re: Development of Liberty Square Rising

Dear Joe:

JPMorgan Chase Bank, N.A. has received a request for the New Markets Tax Credit financing for the retail and community facility development of the Liberty Square Rising located at 1415 NW 63rd Street, Miami, FL 33142, which is in a highly-distressed, NMTC-eligible census tract.

Based upon current projections, the proposed sources and uses are estimated to be as follows:

Sources of Funds	
Federal NMTC Equity	$3,019,848
County Funds	3,484,152
Debt	3,175,000
Total Sources of Funds	$9,679,000
Uses of Funds	
Acquisition	$0
Hard Costs (incl. Contingency)	6,767,950
Soft Costs	1,353,590
NMTC Transaction Fees/Expenses	677,553
Developer Fee	879,907
Total Uses of Funds	$9,679,000

JPMorgan Chase Bank, N.A. is one of the largest and most competitive NMTC investors in the country. JPMorgan Chase Bank, N.A. is pleased to provide you with this initial letter of interest and would like the opportunity to conduct a due diligence review and underwrite the requested NMTC investment. Please be advised that the Bank's current basic proposed rates and terms – which are not all inclusive - for this project are as follows: 1) NMTC credits with a preliminary pricing of $0.80; 2) full indemnification against loss from both the CDE and QALICB; 3) an exit strategy acceptable to the Bank to unwind the transaction at the end of the 7-year compliance period; and 4) full compliance with all NMTC program requirements.

Please understand that this letter is for discussion purposes only and does not represent a commitment by JPMorgan Chase Bank, N.A. to provide the financing.

Please call me should you have questions.

Very truly yours,

En Jung Kim
Authorized Officer
JPMorgan Chase Bank, N.A.

3.12 | RESIDENT JOB TRAINING, EMPLOYMENT, SECTION 3 AND SMALL AND M/WBE ENTERPRISES AND LABOR SURPLUS AREA FIRMS PLANS AND COMMITMENTS

MRP's development approach embraces the concept of creating opportunity within the communities we create by contracting with Disadvantaged, Minority, Women-owned and Section-3 Business Enterprises (D/M/WBE/Section-3) and local small businesses. Our activities are motivated by three core principles. We are ***committed to being a good neighbor*** by exceeding the hiring and training goals set by local municipalities and regulatory agencies; we are ***focused on opportunity*** by making sure that the general contractors we work with comply with minority and women-owned business contracting goals; and we are ***engaged in the community*** through extensive work with local organizations, workforce development offices and local government.

D/M/WBE/Section-3 Plan Development and Implementation

MRP member Pennrose will be responsible for oversight of the Team's utilization of resident employment, small, minority and women-owned businesses and local firms. Pennrose has consistently performed above targeted levels in contracting with D/M/WBE/Section-3 firms and local small businesses and brings a level of experience and sophistication that is second to none when it comes to creating economic opportunity through strong participation of D/M/WBE/Section-3's and local businesses. Pennrose will utilize its expertise to ensure that PHCD's D/M/WBE/Section-3 and local small business contracting goals are exceeded for the PHCD redevelopment project.

MRP's D/M/WBE/Section-3 hiring and contracting plan will be developed and implemented under Pennrose's oversight by Team member HGF, Inc., a major provider of outreach, recruitment, monitoring and reporting plans for developers and public agencies engaged in projects governed by federal, state and/or local labor compliance guidelines aligned with specific MBE, WBE, DBE and Section 3 project goals.

HGF has an accomplished track record working with major developers and governmental/quasi-governmental agencies engaged in construction projects governed by funding regulations and/or labor standards. The firm provides support to these clients via a process that results in customized plans, processes and tools. For Liberty Rising, HGF will provide the following services:

- Minority Participation (MBE, WBE, Section 3, LBE and DBE firms) Recruiting, Engagement,
- Monitoring & Reporting
- Section 3 Business Engagement, Tracking and Reporting
- Section 3 Employment Engagement, Tracking and Reporting
- Certified Payroll Compliance Review, Issue Resolution & Submittals
- Construction-Site Employee Interviews
- Customized Federal Labor Standards and Certified Payroll Compliance Training Workshop

HGF has significant experience working in Miami, having served as a member a member of the development team for the Scott Carver HOPE VI Revitalization Project, Phases II and III in Miami, Florida between 2011 and 2013. HGF's work included MBE, WBE and Section 3 business outreach, recruitment, training, monitoring and reporting; certified payroll compliance issues identification and resolution; Section 3, minority and local residents outreach and employment monitoring and reporting; labor standards (Davis-Bacon) compliance management, monitoring and reporting.

D/M/WBE and Section 3 Outreach and Engagement

MRP is committed to meet and exceed the goals to be agreed upon by the County and MRP for providing business opportunities across the full array of work categories, ranging from such categories as semi-professional and professional services to construction and material supplies. As part of this effort, working with HGF, MRP would implement an outreach plan that will increase the opportunities for D/M/WBE and Section 3 businesses, consisting of the following activities:

- Hold meetings prior to the bidding of the work in order to supplement advertisement efforts and assist qualifying D/M/WBE firms in the procurement process;
- Advertise the Pre-Bid informational meetings and the contracting opportunities provided by the project in the local area newspaper(s) and through other publications or organizations that target the minority community;
- Contact Associated Builders and Contractors and other trade associations to extend contracting opportunities to Section 3, small, minority and women-owned businesses;
- Develop outreach tools to inform and engagement MBE, WBE and Section 3 businesses and Section 3 residents;
- Notify certified D/M/WBE businesses that have capabilities pertinent to the work of the contract that their interest in the contract is being solicited.
- Encourage joint venture relationships between D/M/WBE firms that can complement one another's services.
- Contract with area MBE, WBE and Section 3 certifying organizations to inform certified businesses and resident of opportunities;
- Contact area organizations to provide information to Section 3 eligible residents, such as Homeless Trust, Miami Supportive Housing, Camillus House, and Liberty City Trust;
- Work with the PHCD Section 3 Coordinator Development Division for referrals from Section 8 public housing and other low-income residents;
- Work with selected contractors to facilitate training for and ensure correct completion of Davis-Bacon Wage reporting regulations and other complicated reporting requirements;
- Work with Employ Miami to provide employment opportunities on Liberty Rising for Miami-Dade residents that have received Employ Miami's Construction Certification Training;
- Provide Liberty Square residents with the opportunity for employment and training on the Liberty Rising redevelopment.

Section-3 Plan

Creating economic opportunity for public housing residents is a crucial part of comprehensive neighborhood revitalization. MRP is committed to providing employment and contracting opportunities to qualified, Section-3 eligible businesses and individuals from PHCD communities and the surrounding neighborhoods. Pennrose will direct MRP's development and implementation of a strategy fostering employment, training and contracting opportunities throughout the redevelopment process that are consistent with the requirements of Section-3 of the Housing and Urban Development Act of 1968, as amended (12 U.S.C. 1701u).

- In order to alert Section-3 eligible persons to the employment and training opportunities, the MRP Team, led by HGF, will engage in a comprehensive advertising campaign in the local area, working with resident organizations, community-based organizations that serve those who reside in government-assisted housing, and local employment agencies. The Team will hold sessions to discuss training and employment opportunities available and provide assistance completing job applications and other requirements.
- MRP will require the selected general contractor to submit a Section-3 plan, as part of their bid documents, enumerating specific hiring goals consistent with HUD regulations and PHCD policies. In addition, MRP will require the contractor and its subcontractors to utilize appropriate apprenticeship programs to meet Section-3 employment goals. Under Pennrose's leadership, MRP will ensure that all contractors and subcontractors that are awarded a contract in excess of $100,000 will take all necessary and reasonable steps to provide meaningful, full-time, permanent employment and training to Section-3 eligible

hires, allowing such hires to develop marketable skills and, where possible, permanent positions with the contracting firm.

- In addition to offering employment opportunities, MRP and the selected general contractor will also promote and training to enhance the opportunities available to the former residents of the redevelopment sites as well as the surrounding community. Such programs will include job readiness, job and business development programs, on-the-job training and apprenticeship programs, including such approved programs as the Associated Builders and Contractors (ABC) and mentoring.
- To increase participation by Section-3 eligible businesses, the Team will divide construction trade contracts into as many sub-components as possible. This strategy levels the playing field for capable local businesses that do not have the capacity to take on large contracts. Also, the MRP Team will explore the possibility of offering joint venture-type business arrangements for Section-3 eligible businesses and/or financial support of a limited number of businesses.

Although the implementation of these and other Section-3 initiatives will have a neighborhood-wide reach, MRP is committed to providing first priority of employment and services to the current and former residents of Lincoln Gardens and Liberty Square.

In addition, emphasis will be placed on employing those in Liberty City who have been disadvantaged in their efforts to participate in the general economy, whether by a reason of inadequate preparation/qualifications or discrimination. Among the disadvantaged, outreach will be made to minority groups to maximize involvement in employment opportunities at the Liberty Rising redevelopment for low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing. The aim of the support programs is to overcome impediments to prior participation, including lack of adequate education/training.

As the developments nears completion, MRP will recruit Section-3 eligible persons for positions in operations including administrative or maintenance support positions. These career-track positions will offer opportunity for promotion to other positions within site operations.

HGF will monitor compliance with hiring goals for MRP, and our Team will seek to train and employ Section-3-eligible persons to monitor, inspect, and report upon contractors and their sub-contractors performance achieving Section-3 goals.

Examples of marketing materials used by HGF for outreach to Section 3 and D/M/WBE firms and employees.

Job Training Disadvantaged, Minority, Women-owned Business Enterprise Commitments

The MRP Team commits to work aggressively to achieve the following minimum levels of participation in the development and, of course, will pursue every available opportunity to contract with Disadvantaged, Minority and Women-Owned Business Enterprises and local small businesses.

- **Resident Job Training** – Through partnerships with organizations such as Associated Builders and Contractors, Employ Miami and local organizations, as well as in partnership with our to-be-selected general contractor, MRP commits to linking Liberty Square residents to trade-related (such as basic carpentry, lead removal, and painting) job training and, as feasible, apprenticeship, programs. In addition, MRP commits to working with community and supportive service providers to hold a minimum of four basic workforce development and life skills classes per year (20 classes during the redevelopment period).

- **Section 3 Employment** – MRP commits to 200 new Section 3 hires during the Liberty Rising Redevelopment.
- **Minority Subcontractor Utilization** - Contractors will be required to set-aside a minimum of 35% of the total construction work Minority Businesses.
- **Minority/Female Trades Worker Participation** – A minimum of 35% of the total project work hours, by trade, shall be worked by minority and female trades-workers.
- **Miami Resident Participation** – A minimum of 35% of the total project work hours shall be worked by Miami Residents.

Comparable Section 3 and D/M/WBE Contracting Results

As previously discussed, Pennrose will be the MRP member in charge of overseeing the implementation of our Section 3 and D/M/WBE contracting and employment program. Pennrose has consistently demonstrated its commitment by providing employment and contracting opportunities to qualified D/M/WBE's firms through dozens of projects, and is committed to doing so for Liberty Rising. To illustrate our Team's commitment to D/M/WBE participation, provided below are examples of how Pennrose, serving as lead developer, achieved significant levels of D/M/WBE involvement on its development efforts.

Development	% D/M/WBE Utilization
McNally Homes HOPE VI- Demo/IF	94.1%
Reservoir Hill	52.4%
Chapel Green	51.2%
Orchard Ridge Homeownership I	50.1%
Orchard Ridge Rental I	50.9%
Orchard Ridge Rental II	62.2%
Orchard Ridge Rental III	46.8%
Uplands Rental Phase I	60.0%

Community and Supportive Service Partners

MRP team member Housing Opportunities Unlimited (HOU), which has 20 years of experience developing community and supportive service plans and coordinating on-site resident services for public housing redevelopments nationwide, will help design a community and supportive services (CSS) program to contribute the health and well-being of current and former residents of Lincoln Gardens and Liberty Square in concert with residents, community organizations and PHCD.

In addition, as discussed in Section 3.10 and documented in the attached commitment letters, MRP has identified several partners to help design and implement the CSS program: Team member Catalyst Miami, in addition to providing community planning and outreach services, is a direct service coordinator and provider, and will provide or connect current and former Lincoln Gardens and Liberty Square residents to health care and child care services, and a range of financial capacity building services at the Liberty and Lincoln sites.

And Florida International University's Herbert Wertheim College of Medicine, through its Green Family Foundation NeighborhoodHELP (Health Education Learning Program), will provide regular home visits, comprehensive health, and the development of a care plan to improve the health and quality of life of Liberty Square and Lincoln Gardens residents. To overcome access barriers and connect people to the health system, health care services will be provided through NeighborhoodHELP mobile medical units at the two sites, and, as needed, make referrals to other community providers.

JOB OPPORTUNITY FAIR

ARLINGTON GROVE PROJECT

TUESDAY, JULY 13, 2010 | 10:00 A.M. – 3:00 P.M.

FRIENDLY TEMPLE

Missionary Baptist Church

5515 Martin Luther King, Jr. Drive

Enter from Belt Street side

Get information on the Arlington Grove Project

Meet with Arlington Grove Project Team members

Employment Interest Forms will be available for potential Arlington Grove Project jobs

McCormack Baron Salazar | St. Louis Housing Authority | KAI | Urban Strategies

Robert Fulton Development, Inc. | Alderman Jeffery Boyd – Ward 22

TAALKE, LLC | HCF

Memphis HOPE – Section 3 Construction Training and Employment Program

The Memphis HOPE Section 3 Construction Training and Employment Program is a customized course designed to offer Memphis HOPE clients a unique opportunity for on-the-job training and entry level course work in the field of construction.

Contracting Opportunity Reception

Tuesday, June 24, 2008 – 6:00 pm

Mid-South Minority Business Council
158 Madison Avenue, Suite 300

MONTGOMERY MARTIN

IN PARTNERSHIP WITH

Mid-South Minority Business Council

MMBC
Bridging Partnerships
Maximizing Business Growth

Please RSVP at 374.9400

Mid-South Minority Business Council
158 Madison Ave, Suite 300

MMBC is located in the Regions Bank building. Traveling west on Madison, see glass door entrance with MMBC easel signage.

Paid parking ($4.00) is available in lot behind the building (corner of Third and Court). Entrance to the building is available from parking lot. Street parking at meters is also available.

Facilitated and Coordinated by HCF

Court Square Annex 2 – Phase 1

SCOPE OF WORK

Court Annex 2 (CA2) is a 34,773 sf mixed use building with 16 apartments overlooking Court Square Park. It is a 6 floor (1 Basement and 5 Upper Floors) structural steel building on a concrete mat foundation. The 'skin' of the building is glass curtainwall, glass storefront, and punched brick.

The building will be bid in two phases, the first will be structural steel and foundations, the second will be the skin and apartment buildout. The first bid phase will need subcontractors for earthwork, structural steel, structural concrete, and rebar.

The second bid phase will need subcontractors for masonry, millwork, waterproofing, roofing, glass, drywall, paint, carpet, specialties, fire protection, HVAC, plumbing, and electrical.

Required Trades

- Site Demolition and Backfill
- Concrete (mat foundations, retaining walls, column footings, slab-on-grade, elevated slabs on metal deck)
- Reinforcing Steel
- Structural Steel and Miscellaneous Steel

North Sarah Project - Phase 1

Federal Labor Standards and Certified Payroll Reporting Requirements

Subcontractor Training Workshop

March 2, 2011

Developed and Facilitated by: HCF

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CATALYST
M I A M I

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Cornell Crews

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Susan Jay
Honorable Betty Metcalf
Claire Raley
Edward Soto

Founding Executive Director:
Daniella Levine Cava

June 30, 2015

Joe Chambers
Miami Redevelopment Partners
205 E. Central Blvd., Ste. 304
Orlando, FL 32801

Mr. Chambers,

Catalyst Miami is pleased to provide this letter of support for the Miami Redevelopment Partner's (MRP) proposal for the Liberty Rising redevelopment. Catalyst Miami is a 20-year old non-profit advocacy and social service organization dedicated to community building throughout Miami-Dade County to create a just and equitable Miami. MRP's proposal for the redevelopment of the Liberty Square and Lincoln Gardens public housing sites poses a unique opportunity to catalyze change in the Liberty City community.

Catalyst Miami will be pleased to serve as a consultant to the MRP development team to assist with community engagement, outreach and capacity building in order to plan and conduct a community planning process. Catalyst Miami will work with MRP, Miami-Dade County and the Public Housing and Community Development Department to insure that the redevelopment incorporates the vision that current and former Liberty Square and Lincoln Gardens residents, Liberty City neighbors and community stakeholders have for the redevelopment of their community. Catalyst's work with MRP will build on its leadership development work in Liberty City for the Miami Children's Initiative, and on our two decades of experience working collaboratively with our clients and partner organizations, breaking down silos of all shapes and sizes to activate coalitions and networks that share our vision of a thriving Miami.

In addition, Catalyst Miami provides a range of social services to Miami residents in the areas of health care, child care, financial capacity building and stability. We connect low-income families to preventative healthcare options and basic needs services; and we provide financial services such as free tax preparation, credit building and saving opportunities, and comprehensive financial coaching. Catalyst Miami has provided thousands of Miami residents with assistance in obtaining healthcare and with financial education, free tax preparation services, and assistance in navigating Medicaid and other public services.

Catalyst Miami would provide be happy to provide its services to current and former Liberty Square and Lincoln Gardens residents, and would be interested in providing services on-site at the new community facilities to be developed at Liberty Square and Lincoln Gardens. Such services would be an essential tool in providing economic opportunities and creating financial stability for Liberty Square and Lincoln Garden families.

Catalyst Miami is pleased to participate in MRP's redevelopment of Liberty Square and Lincoln Gardens, and help leverage the redevelopments to revitalize the entire Liberty City community.

Sincerely,

Gretchen Beesing, CEO

FIU | FLORIDA INTERNATIONAL UNIVERSITY

June 30, 2015

Joe Chambers
Miami Redevelopment Partners
205 E. Central Blvd., Ste. 304
Orlando, FL 32801

Mr. Chambers,

The Florida International University (FIU), Herbert Wertheim College of Medicine, Green Family Foundation NeighborhoodHELP™ (GFFP-NHELP) is pleased to provide this letter of support for the Miami Redevelopment Partner's (MRP) proposal for the Liberty Rising redevelopment. Green Family Foundation NeighborhoodHELP™ prepares physicians to assess and address the social determinants that affect disease and health care outcomes of individuals and communities through educational programs.

NeighborhoodHELP™ is a program developed to educate students and provide comprehensive health and social services to low-income communities throughout North Miami Dade County. The program is delivered using a home-visitation model that includes providing participating households with healthcare using student teams supervised by licensed faculty, a medical legal clinic, social work counseling, and a mobile medical clinic as well as an outreach team to enroll and assist households with navigating the program. Through GFF-NHELP, we meet the needs of local Miami communities while providing our students with service learning in culturally competent primary care.

We would be pleased to provide our interdisciplinary health services to residents of the redeveloped Liberty Square and Lincoln Gardens' sites and surrounding community, and would be interested in using the new community facilities to be developed at Liberty Square and Lincoln Gardens as a site for the provision of primary health care services through our program.

The redevelopment of Liberty Square and Lincoln Gardens can help transform not only housing but enable a broader transformation of the health and well-being of the Liberty City community, and the Green Family Foundation NeighborhoodHELP™ would be pleased to help MRP and Miami-Dade County make that transformation a reality.

Sincerely,

Nana Aisha Garba, MD, PhD, MPH
Assistant Professor & Assistant Community Director
Department of Humanities, Health and Society
Division of Policy and Community Development
Herbert Wertheim College of Medicine
Florida International University

South
Florida
Regional
Planning
Council

July 6, 2015

Joe Chambers
Managing Director, Gardner Florida
205 E Central Boulevard, Suite 304
Orlando, FL 32801

To Whom It May Concern:

The South Florida Regional Planning Council (Council) is supportive of the Miami-Dade County Initiative to redevelop of the Liberty Square and Liberty Gardens affordable housing sites.

The Council has been providing policy and planning services in the Region for over 40 years. The Council's mission is to identify the long-term challenges and opportunities facing South Florida and assist the Region's leaders in developing and implementing creative strategies that result in more prosperous and equitable communities, a healthier and cleaner environment, and a more vibrant economy.

To accomplish our mission, the Council provides a wide array of services including strategic and comprehensive plan development and Development of Regional Impact review. We support our other partners through technical assistance and expertise in a number of fields including brownfields redevelopment, geographic information services, health and the built environment, emergency preparedness, land use and natural resources planning. The Council assists local governments and community-based organizations' staff in the development of policies, programs and projects that will increase access to affordable housing, healthy foods, transit, recreational activities, and economic opportunity.

The objectives of the "Liberty City Rising" transformation project are to: 1) Improve the standard of living, 2) Provide job opportunities for residents, and 3) Improve community safety. These goals are consistent with the Council's *Strategic Regional Policy Plan* and the Comprehensive Economic Development Strategies.

In 2014, Council staff worked closely with area residents, businesses, community-based organizations and other stakeholders to develop a Community Action Plan for the 79th Street Corridor Initiative. Council staff is prepared to work with the selected development team to provide:

- Intergovernmental coordination
- Coalition building
- Data visualization
- Loans for small business development and expansion
- Technical assistance for Brownfield site redevelopment

Karen Hamilton of Council staff is available to answer questions or provide additional information.

Sincerely,

James F. Murley
Executive Director

JFK/kal

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