
2021 Federal Low Income Housing Tax Credit Program

Application For Reservation

Deadline for Submission

9% Competitive Credits

Applications Must Be Received At VHDA No Later Than **12:00 PM**
Richmond, VA Time On **March 18, 2021**

Tax Exempt Bonds

Applications should be received at VHDA at least one month before the bonds are *priced* (if bonds issued by VHDA), or 75 days before the bonds are *issued* (if bonds are not issued by VHDA)



Virginia Housing
601 South Belvidere Street
Richmond, Virginia 23220-6500

INSTRUCTIONS FOR THE VIRGINIA 2021 LIHTC APPLICATION FOR RESERVATION

This application was prepared using Excel, Microsoft Office 2016. Please note that using the active Excel workbook does not eliminate the need to submit the required PDF of the signed hardcopy of the application and related documentation. A more detailed explanation of application submission requirements is provided below and in the Application Manual.

An electronic copy of your completed application is a mandatory submission item.

Applications For 9% Competitive Credits

Applicants should submit an electronic copy of the application package prior to the application deadline, which is **12:00 PM** Richmond Virginia time on **March 18, 2021**. Failure to submit an electronic copy of the application by the deadline will cause the application to be disqualified.

Please Note:

Applicants should submit all application materials in electronic format only.

There should be distinct files which should include the following:

- 1. Application For Reservation – the active Microsoft Excel workbook**
- 2. A PDF file which includes the following:**
 - Application For Reservation – Signed version of hardcopy
 - All application attachments (i.e. tab documents, excluding market study and plans & specs)
- 3. Market Study – PDF or Microsoft Word format**
- 4. Plans - PDF or other readable electronic format**
- 5. Specifications - PDF or other readable electronic format (may be combined into the same file as the plans if necessary)**
- 6. Unit-By-Unit work write up (rehab only) - PDF or other readable electronic format**

IMPORTANT:

Virginia Housing only accepts files via our work center sites on Procorem. Contact TaxCreditApps@virginiahousing.com for access to Procorem or for the creation of a new deal workcenter. Do not submit any application materials to any email address unless specifically requested by the Virginia Housing LIHTC Allocation Department staff.

Disclaimer:

Virginia Housing assumes no responsibility for any problems incurred in using this spreadsheet or for the accuracy of calculations. Check your application for correctness and completeness before submitting the application to Virginia Housing.

Entering Data:

Enter numbers or text as appropriate in the blank spaces highlighted in yellow. Cells have been formatted as appropriate for the data expected. All other cells are protected and will not allow changes.

Please Note:

- ▶ **VERY IMPORTANT! : Do not** use the copy/cut/paste functions within this document. Pasting fields will corrupt the application and may result in penalties. You may use links to other cells or other documents but do not paste data from one document or field to another.
- ▶ Some fields provide a dropdown of options to select from, indicated by a down arrow that appears when the cell is selected. Click on the arrow to select a value within the dropdown for these fields.
- ▶ The spreadsheet contains multiple error checks to assist in identifying potential mistakes in the application. These may appear as data is entered but are dependent on values entered later in the application. Do not be concerned with these messages until all data within the application has been entered.
- ▶ Also note that some cells contain error messages such as “#DIV/0!” as you begin. These warnings will disappear as the numbers necessary for the calculation are entered.

Assistance:

If you have any questions, please contact the Virginia Housing LIHTC Allocation Department. Please note that we cannot release the copy protection password.

Virginia Housing LIHTC Allocation Staff Contact Information

Name	Email	Phone Number
JD Bondurant	johndavid.bondurant@virginiahousing.com	(804) 343-5725
Sheila Stone	sheila.stone@virginiahousing.com	(804) 343-5582
Stephanie Flanders	stephanie.flanders@virginiahousing.com	(804) 343-5939
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Aniyah Moaney	aniyah.moaney@virginiahousing.com	(804) 343-5518

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2021 Low-Income Housing Tax Credit Application For Reservation

Please indicate if the following items are included with your application by putting an 'X' in the appropriate boxes. Your assistance in organizing the submission in the following order, and actually using tabs to mark them as shown, will facilitate review of your application. Please note that all mandatory items must be included for the application to be processed. The inclusion of other items may increase the number of points for which you are eligible under Virginia Housing's point system of ranking applications, and may assist Virginia Housing in its determination of the appropriate amount of credits that may be reserved for the development.

- \$1,000 Application Fee **(MANDATORY)**
- Electronic Copy of the Microsoft Excel Based Application **(MANDATORY)**
- Scanned Copy of the **Signed** Tax Credit Application with Attachments (excluding market study and plans & specifications) **(MANDATORY)**
- Electronic Copy of the Market Study **(MANDATORY - Application will be disqualified if study is not submitted with application)**
- Electronic Copy of the Plans and Unit by Unit writeup **(MANDATORY)**
- Electronic Copy of the Specifications **(MANDATORY)**
- Electronic Copy of the Existing Condition questionnaire **(MANDATORY if Rehab)**
- Electronic Copy of the Physical Needs Assessment **(MANDATORY at reservation for a 4% rehab request)**
- Electronic Copy of Appraisal **(MANDATORY if acquisition credits requested)**
- Electronic Copy of Environmental Site Assessment (Phase I) **(MANDATORY if 4% credits requested)**
- Tab A: Partnership or Operating Agreement, including chart of ownership structure with percentage of interests and Developer Fee Agreement **(MANDATORY)**
- Tab B: Virginia State Corporation Commission Certification **(MANDATORY)**
- Tab C: Principal's Previous Participation Certification **(MANDATORY)**
- Tab D: List of LIHTC Developments (Schedule A) **(MANDATORY)**
- Tab E: Site Control Documentation & Most Recent Real Estate Tax Assessment **(MANDATORY)**
- Tab F: RESNET Rater Certification **(MANDATORY)**
- Tab G: Zoning Certification Letter **(MANDATORY)**
- Tab H: Attorney's Opinion **(MANDATORY)**
- Tab I: Nonprofit Questionnaire **(MANDATORY for points or pool)**
The following documents need not be submitted unless requested by Virginia Housing:
 - Nonprofit Articles of Incorporation
 - IRS Documentation of Nonprofit Status
 - Joint Venture Agreement (if applicable)
 - For-profit Consulting Agreement (if applicable)
- Tab J: Relocation Plan and Unit Delivery Schedule **(MANDATORY)**
- Tab K: Documentation of Development Location:
 - K.1 Revitalization Area Certification
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 - K.3 Surveyor's Certification of Proximity To Public Transportation
- Tab L: PHA / Section 8 Notification Letter
- Tab M: Locality CEO Response Letter
- Tab N: Homeownership Plan
- Tab O: Plan of Development Certification Letter
- Tab P: Developer Experience documentation and Partnership agreements
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- Tab V: Nonprofit or LHA Purchase Option or Right of First Refusal
- Tab W: Internet Safety Plan and Resident Information Form (if internet amenities selected)
- Tab X: Marketing Plan for units meeting accessibility requirements of HUD section 504
- Tab Y: Inducement Resolution for Tax Exempt Bonds

VHDA TRACKING NUMBER

A. GENERAL INFORMATION ABOUT PROPOSED DEVELOPMENT

Application Date: 1/15/2021

1. Development Name: Shockoe Hill Apartments
2. Address (line 1): 200, 210, 212 Hospital Street
Address (line 2):
City: Richmond State: VA Zip: 23219
3. If complete address is not available, provide longitude and latitude coordinates (x,y) from a location on site that your surveyor deems appropriate. Longitude: 00.00000 Latitude: 00.00000
(Only necessary if street address or street intersections are not available.)
4. The Circuit Court Clerk's office in which the deed to the development is or will be recorded:
City/County of Richmond City
5. The site overlaps one or more jurisdictional boundaries..... FALSE
If true, what other City/County is the site located in besides response to #4?.....
6. Development is located in the census tract of: 301.00
7. Development is located in a Qualified Census Tract..... TRUE
8. Development is located in a Difficult Development Area..... FALSE
9. Development is located in a Revitalization Area based on QCT TRUE
10. Development is located in a Revitalization Area designated by resolution FALSE
11. Development is located in an Opportunity Zone (with a binding commitment for funding)..... FALSE
(If 9, 10 or 11 are True, Action: Provide required form in TAB K1)
12. Development is located in a census tract with a poverty rate of.....

3%	10%	12%
FALSE	FALSE	FALSE

Enter only Numeric Values below:

13. Congressional District: 4
- Planning District: 15
- State Senate District: 9
- State House District: 71

Click on the following link for assistance in determining the districts related to this development:

[Link to Virginia Housing's HOME - Select Virginia LIHTC Reference Map](#)

14. ACTION: Provide Location Map (TAB K2)

15. Development Description: In the space provided below, give a brief description of the proposed development

Shockoe Hill Apartments is an existing 125 unit age-restricted affordable housing complex consisting of two buildings of rental units and an additional building for community space and leasing office.

VHDA TRACKING NUMBER

A. GENERAL INFORMATION ABOUT PROPOSED DEVELOPMENT

Application Date: 1/15/2021

16. Local Needs and Support

- a. Provide the name and the address of the chief executive officer (City Manager, Town Manager, or County Administrator of the political jurisdiction in which the development will be located:

Chief Executive Officer's Name: Levar Stoney
 Chief Executive Officer's Title: Mayor Phone: 804-646-7970
 Street Address: 900 E. Broad Street, Suite 201
 City: Richmond State: VA Zip: 23219

Name and title of local official you have discussed this project with who could answer questions for the local CEO: Ofelia Solomon

- b. If the development overlaps another jurisdiction, please fill in the following:

Chief Executive Officer's Name: _____
 Chief Executive Officer's Title: _____ Phone: _____
 Street Address: _____
 City: _____ State: _____ Zip: _____

Name and title of local official you have discussed this project with who could answer questions for the local CEO: _____

ACTION: Provide Locality Notification Letter at **Tab M** if applicable.

B. RESERVATION REQUEST INFORMATION

1. Requesting Credits From:

a. If requesting 9% Credits, select credit pool:

or

b. If requesting Tax Exempt Bonds, select development type:

For Tax Exempt Bonds, where are bonds being issued?

ACTION: Provide Inducement Resolution at **TAB Y** (if available)

Skip to Number 4 below.

2. Type(s) of Allocation/Allocation Year

Definitions of types:

a. **Regular Allocation** means all of the buildings in the development are expected to be placed in service this calendar year, 2021.

b. **Carryforward Allocation** means all of the buildings in the development are expected to be placed in service within two years after the end of this calendar year, 2021, but the owner will have more than 10% basis in development before the end of twelve months following allocation of credits. For those buildings, the owner requests a carryforward allocation of 2021 credits pursuant to Section 42(h)(1)(E).

3. Select Building Allocation type:

Note regarding Type = Acquisition and Rehabilitation: Even if you acquired a building this year and "placed it in service" for the purpose of the acquisition credit, you cannot receive its acquisition 8609 form until the rehab 8609 is issued for that building.

4. Is this an additional allocation for a development that has buildings not yet placed in service?

5. Planned Combined 9% and 4% Developments

A site plan has been submitted with this application indicating two developments on the same or contiguous site. One development relates to this 9% allocation request and the remaining development will be a 4% tax exempt bond application. (25, 35 or 45 pts)

Name of companion development:

a. Has the developer met with Virginia Housing regarding the 4% tax exempt bond deal?

b. List below the number of units planned for each allocation request. This stated count cannot be changed or 9% Credits will be cancelled.

Total Units within 9% allocation request?

Total Units within 4% Tax Exempt allocation Request?

Total Units:

% of units in 4% Tax Exempt Allocation Request:

6. Extended Use Restriction

Note: Each recipient of an allocation of credits will be required to record an **Extended Use Agreement** as required by the IRC governing the use of the development for low-income housing for at least 30 years. Applicant waives the right to pursue a Qualified Contract.

Must Select One:

Definition of selection:

Development will be subject to the standard extended use agreement of 15 extended use period (after the mandatory 15-year compliance period.)

C. OWNERSHIP INFORMATION

NOTE: Virginia Housing may allocate credits only to the tax-paying entity which owns the development at the time of the allocation. The term "Owner" herein refers to that entity. Please fill in the legal name of the owner. The ownership entity must be formed prior to submitting this application. Any transfer, direct or indirect, of partnership interests (except those involving the admission of limited partners) prior to the placed-in-service date of the proposed development shall be prohibited, unless the transfer is consented to by Virginia Housing in its sole discretion. **IMPORTANT: The Owner name listed on this page must exactly match the owner name listed on the Virginia State Corporation Commission Certification.**

1. Owner Information:

Must be an individual or legally formed entity.

Owner Name: Shockoe I Apartments VA LP

Developer Name: Capital Realty Group Inc.

Contact: M/M ▶ Mr. First: Moshe MI: Last: Eichler

Address: 86 Route 59E

City: Spring Valley St. ▶ NY Zip: 10977

Phone: (845) 356-7773 Ext. Fax:

Email address:

Federal I.D. No. 83-2094284 (If not available, obtain prior to Carryover Allocation.)

Select type of entity: ▶ Limited Partnership Formation State: ▶ VA

Additional Contact: Please Provide Name, Email and Phone number.

- ACTION:**
- a. Provide Owner's organizational documents (e.g. Partnership agreements and Developer Fee agreement) (Mandatory TAB A)
 - b. Provide Certification from Virginia State Corporation Commission (**Mandatory TAB B**)

2. Principal(s) of the General Partner: List names of individuals and ownership interest.

Names **	Phone	Type Ownership	% Ownership
<u>Moshe Eichler</u>	<u>(845) 356-7773</u>	<u>Managing Member</u>	<u>50.000%</u>
<u>Sam Horowitz</u>	<u>(845) 356-7773</u>	<u>Managing Member</u>	<u>50.000%</u>
<u></u>	<u></u>	<u></u>	<u>0.000%</u>
<u></u>	<u></u>	<u></u>	<u>0.000%</u>
<u></u>	<u></u>	<u></u>	<u>0.000%</u>
<u></u>	<u></u>	<u></u>	<u>0.000%</u>
<u></u>	<u></u>	<u></u>	<u>0.000%</u>

The above should include 100% of the GP or LLC member interest.

** These should be the names of individuals who make up the General Partnership, not simply the names of entities which may comprise those components.

C. OWNERSHIP INFORMATION

- ACTION:**
- a. Provide Principals' Previous Participation Certification **(Mandatory TAB C)**
 - b. Provide a chart of ownership structure (Org Chart) and a list of all LIHTC Developments within the last 15 years. **(Mandatory at TABS A/D)**

3. Developer Experience: Provide evidence that the principal or principals of the controlling general partner or managing member for the proposed development have developed:

- a. as a controlling general partner or managing member, (i) at least three tax credit developments that contain at least three times the number of housing units in the proposed development or (ii) at least six tax credit developments. **TRUE**

Action: Must be included on Virginia Housing Experienced LIHTC Developer List or provide copies of 8609s, partnership agreements and organizational charts **(Tab P)**

- b. at least three deals as principal and have at \$500,000 in liquid assets..... **FALSE**

Action: Must be included on the Virginia Housing Experienced LIHTC Developer List or provide Audited Financial Statements and copies of 8609s **(Tab P)**

- c. The development's principal(s), as a group or individually, have developed as controlling general partner or managing member, at least one tax credit development that contains at least the same number of units of this proposed development (can include Market units). **FALSE**

Action: Must provide copies of 8609s and partnership agreements **(Tab P)**

D. SITE CONTROL

NOTE: Site control by the Owner identified herein is a mandatory precondition of review of this application. Documentary evidence in the form of either a deed, option, purchase contract or lease for a term longer than the period of time the property will be subject to occupancy restrictions must be included herewith. (For 9% Competitive Credits - An option or contract must extend beyond the application deadline by a minimum of four months.)

Warning: Site control by an entity other than the Owner, even if it is a closely related party, is not sufficient. Anticipated future transfers to the Owner are not sufficient. The Owner, as identified previously, must have site control at the time this Application is submitted.

NOTE: If the Owner receives a reservation of credits, the property must be titled in the name of or leased by (pursuant to a long-term lease) the Owner before the allocation of credits is made.

Contact Virginia Housing before submitting this application if there are any questions about this requirement.

1. Type of Site Control by Owner:

Applicant controls site by (select one):

Select Type: Purchase Contract
 Expiration Date: 5/30/2021

In the Option or Purchase contract - Any contract for the acquisition of a site with an existing residential property may not require an empty building as a condition of such contract, unless relocation assistance is provided to displaced households, if any, at such level required by Virginia Housing. See QAP for further details.

ACTION: Provide documentation and most recent real estate tax assessment - **Mandatory TAB E**

FALSEThere is more than one site for development and more than one form of site control.

(If **True**, provide documentation for each site specifying number of existing buildings on the site (if any), type of control of each site, and applicable expiration date of stated site control. A site control document is required for each site (**Tab E**.)

2. Timing of Acquisition by Owner:

Only one of the following statement should be True.

- a. FALSEOwner already controls site by either deed or long-term lease.
- b. TRUEOwner is to acquire property by deed (or lease for period no shorter than period property will be subject to occupancy restrictions) no later than..... 5/30/2021 .
- c. FALSEThere is more than one site for development and more than one expected date of acquisition by Owner.

(If c is **True**, provide documentation for each site specifying number of existing buildings on the site, if any, and expected date of acquisition of each site by Owner (**Tab E**.)

D. SITE CONTROL

3. Seller Information:

Name: Shockoe I Apartments LLC

Address: 86 Route 59E

City: Spring Valley St.: NY Zip: 10977

Contact Person: Moshe Eichler Phone: (845) 356-7773

There is an identity of interest between the seller and the owner/applicant..... TRUE

If above statement is **TRUE**, complete the following:

Principal(s) involved (e.g. general partners, controlling shareholders, etc.)

<u>Names</u>	<u>Phone</u>	<u>Type Ownership</u>	<u>% Ownership</u>
Moshe Eichler	(845) 356-7773	Owner	50.00%
Sam Horowitz	(845) 356-7773	Owner	50.00%
			0.00%
			0.00%
			0.00%
			0.00%
			0.00%

E. DEVELOPMENT TEAM INFORMATION

Complete the following as applicable to your development team. Provide Contact and Firm Name.

- | | | | | |
|----|-----------------------|--|---------------------------|----------------|
| 1. | Tax Attorney: | Scott Fireison | This is a Related Entity. | FALSE |
| | Firm Name: | Troutman Pepper | | |
| | Address: | 2000 K Street NW, Suite 600 Washington, DC 20006 | | |
| | Email: | | Phone: | (202) 220-1572 |
| | | | | |
| 2. | Tax Accountant: | Joseph Fogel | This is a Related Entity. | FALSE |
| | Firm Name: | YH Roth CPA PC | | |
| | Address: | 501 Chestnut Ridge Road Monsey, NY 10951 | | |
| | Email: | | Phone: | (845) 517-5111 |
| | | | | |
| 3. | Consultant: | | This is a Related Entity. | FALSE |
| | Firm Name: | | Role: | |
| | Address: | | | |
| | Email: | | Phone: | |
| | | | | |
| 4. | Management Entity: | Capital Realty Group Inc. | This is a Related Entity. | TRUE |
| | Firm Name: | Capital Realty Group Inc. | | |
| | Address: | 86 Route 59E Spring Valley, NY 10977 | | |
| | Email: | | Phone: | (845) 356-7773 |
| | | | | |
| 5. | Contractor: | Dan Troutman | This is a Related Entity. | FALSE |
| | Firm Name: | Weaver-Cooke | | |
| | Address: | 401 Key Boulevard Greensboro, NC 27409 | | |
| | Email: | | Phone: | (336) 686-7017 |
| | | | | |
| 6. | Architect: | Bruce Zavos | This is a Related Entity. | FALSE |
| | Firm Name: | ZA+D | | |
| | Address: | 323 W. Patrick Street Frederick, MD 21701 | | |
| | Email: | | Phone: | (301) 698-0020 |
| | | | | |
| 7. | Real Estate Attorney: | Scott Fireison | This is a Related Entity. | FALSE |
| | Firm Name: | Troutman Pepper | | |
| | Address: | 2000 K Street NW, Suite 600 Washington, DC 20006 | | |
| | Email: | | Phone: | (202) 220-1572 |
| | | | | |
| 8. | Mortgage Banker: | Michael Goerd | This is a Related Entity. | FALSE |
| | Firm Name: | Cedar Rapids Bank & Trust | | |
| | Address: | 500 1st Ave NE Cedar Rapids, IA 52401 | | |
| | Email: | | Phone: | (319) 743-7029 |
| | | | | |
| 9. | Other: | | This is a Related Entity. | FALSE |
| | Firm Name: | | Role: | |
| | Address: | | | |
| | Email: | | Phone: | |

F. REHAB INFORMATION

1. Acquisition Credit Information

- a. Credits are being requested for existing buildings being acquired for development..... **TRUE**

- b. This development has received a previous allocation of credits..... **TRUE**
 If so, in what year did this development receive credits? **2000**

- c. The development is listed on the RD 515 Rehabilitation Priority List?..... **FALSE**

- d. This development is an existing RD or HUD S8/236 development..... **TRUE**
Action: (If True, provide required form in **TAB Q**)

Note: If there is an identity of interest between the applicant and the seller in this proposal, and the applicant is seeking points in this category, then the applicant must either waive their rights to the developer's fee or other fees associated with acquisition, or obtain a waiver of this requirement from Virginia Housing prior to application submission to receive these points.

- i. Applicant agrees to waive all rights to any developer's fee or other fees associated with acquisition..... **FALSE**

- ii. Applicant has obtained a waiver of this requirement from Virginia Housing prior to the application submission deadline..... **FALSE**

2. Ten-Year Rule For Acquisition Credits

- a. All buildings satisfy the 10-year look-back rule of IRC Section 42 (d)(2)(B), including the 10% basis/ \$15,000 rehab costs (\$10,000 for Tax Exempt Bonds) per unit requirement..... **FALSE**

- b. All buildings qualify for an exception to the 10-year rule under IRC Section 42(d)(2)(D)(i),..... **FALSE**
 - i. Subsection (I)..... **FALSE**
 - ii. Subsection (II)..... **FALSE**
 - iii. Subsection (III)..... **FALSE**
 - iv. Subsection (IV)..... **FALSE**
 - v. Subsection (V)..... **FALSE**

- c. The 10-year rule in IRC Section 42 (d)(2)(B) for all buildings does not apply pursuant to IRC Section 42(d)(6)..... **TRUE**

- d. There are different circumstances for different buildings..... **FALSE**
Action: (If True, provide an explanation for each building in Tab K)

F. REHAB INFORMATION

3. Rehabilitation Credit Information

- a. Credits are being requested for rehabilitation expenditures..... **TRUE**

- b. **Minimum Expenditure Requirements**
 - i. All buildings in the development satisfy the rehab costs per unit requirement of IRS Section 42(e)(3)(A)(ii)..... **TRUE**
 - ii. All buildings in the development qualify for the IRC Section 42(e)(3)(B) exception to the 10% basis requirement (4% credit only)..... **FALSE**
 - iii. All buildings in the development qualify for the IRC Section 42(f)(5)(B)(ii)(II) exception..... **FALSE**
 - iv. There are different circumstances for different buildings..... **FALSE**
Action: (If True, provide an explanation for each building in Tab K)

4. Request For Exception

- a. The proposed new construction development (including adaptive reuse and rehabilitation that creates additional rental space) is subject to an assessment of up to minus 20 points for being located in a pool identified by the Authority as a pool with little or no increase in rent burdened population..... **FALSE**

- b. Applicant seeks an exception to this restriction in accordance with one of the following provisions under 13VAC10-180-60:
 - i. Proposed development is specialized housing designed to meet special needs that cannot readily be addressed utilizing existing residential structures..... **FALSE**
 - ii. Proposed development is designed to serve as a replacement for housing being demolished through redevelopment..... **FALSE**
 - iii. Proposed development is housing that is an integral part of a neighborhood revitalization project sponsored by a local housing authority..... **FALSE**

Action: If any of 4(b) responses are true, provide documentation at Tab U.

G. NONPROFIT INVOLVEMENT

Applications for 9% Credits - Section must be completed in order to compete in the Non Profit tax credit pool.

All Applicants - Section must be completed to obtain points for nonprofit involvement.

1. Tax Credit Nonprofit Pool Applicants: To qualify for the nonprofit pool, an organization (described in IRC Section 501(c)(3) or 501(c)(4) and exempt from taxation under IRC Section 501(a)) should answer the following questions as TRUE:

- FALSE a. Be authorized to do business in Virginia.
- FALSE b. Be substantially based or active in the community of the development.
- TRUE c. Materially participate in the development and operation of the development throughout the compliance period (i.e., regular, continuous and substantial involvement) in the operation of the development throughout the Compliance Period.
- FALSE d. Own, either directly or through a partnership or limited liability company, 100% of the general partnership or managing member interest.
- TRUE e. Not be affiliated with or controlled by a for-profit organization.
- TRUE f. Not have been formed for the principal purpose of competition in the Non Profit Pool.
- TRUE g. Not have any staff member, officer or member of the board of directors materially participate, directly or indirectly, in the proposed development as a for profit entity.

2. All Applicants: To qualify for points under the ranking system, the nonprofit's involvement need not necessarily satisfy all of the requirements for participation in the nonprofit tax credit pool.

A. Nonprofit Involvement (All Applicants)

There is nonprofit involvement in this development..... TRUE (If false, go on to #3.)

Action: If there is nonprofit involvement, provide completed Non Profit Questionnaire (**Mandatory TAB I**).

B. Type of involvement:

Nonprofit meets eligibility requirement for points only, not pool..... TRUE

or

Nonprofit meets eligibility requirements for nonprofit pool and points..... FALSE

C. Identity of Nonprofit (All nonprofit applicants):

The nonprofit organization involved in this development is: ▶ Owner

Name: House of David Preservation Inc. (Please fit NP name within available space)

Contact Person: Israel Wilhelm

Street Address: 4725 Prospect Ave

City: Kansas City State: ▶ MO Zip: 00006-130

Phone: (816) 666-7579 Extension: Contact Email:

G. NONPROFIT INVOLVEMENT

D. Percentage of Nonprofit Ownership (All nonprofit applicants):

Specify the nonprofit entity's percentage ownership of the general partnership interest: 51.0%

3. Nonprofit/Local Housing Authority Purchase Option/Right of First Refusal

A. TRUE After the mandatory 15-year compliance period, a qualified nonprofit or local housing authority will have the option to purchase or the right of first refusal to acquire the development for a price not to exceed the outstanding debt and exit taxes. Such debt must be limited to the original mortgage(s) unless any refinancing is approved by the nonprofit.

Action: Provide Option or Right of First Refusal in Recordable Form **(TAB V)**
Provide Nonprofit Questionnaire (if applicable) **(TAB I)**

Name of qualified nonprofit: House of David Preservation Inc

or indicate true if Local Housing Authority FALSE
Name of Local Housing Authority

2. FALSE A qualified nonprofit or local housing authority submits a homeownership plan committing to sell the units in the development after the mandatory 15-year compliance period to tenants whose incomes shall not exceed the applicable income limit at the time of their initial occupancy.

Action: Provide Homeownership Plan **(TAB N)**

NOTE: Applicant waives the right to pursue a Qualified Contract.

H. STRUCTURE AND UNITS INFORMATION

1. General Information

a. Total number of all units in development	125	bedrooms	84
Total number of rental units in development	125	bedrooms	84
Number of low-income rental units	125	bedrooms	84
Percentage of rental units designated low-income	100.00%		
b. Number of new units:.....	0	bedrooms	0
Number of adaptive reuse units:	0	bedrooms	0
Number of rehab units:.....	125	bedrooms	84
c. If any, indicate number of planned exempt units (included in total of all units in development).....			0
d. Total Floor Area For The Entire Development.....			91,349.00 <small>(Sq. ft.)</small>
e. Unheated Floor Area (i.e. Breezeways, Balconies, Storage).....			1,854.18 <small>(Sq. ft.)</small>
f. Nonresidential Commercial Floor Area (Not eligible for funding).....			0.00
g. Total Usable Residential Heated Area.....			89,494.82 <small>(Sq. ft.)</small>
h. Percentage of Net Rentable Square Feet Deemed To Be New Rental Space			0.00%
i. Exact area of site in acres	3.730		
j. Locality has approved a final site plan or plan of development.....			FALSE
If True , Provide required documentation (TAB O).			
k. Requirement as of 2016: Site must be properly zoned for proposed development. ACTION: Provide required zoning documentation (MANDATORY TAB G)			
l. Development is eligible for Historic Rehab credits.....			TRUE

Definition:

The structure is historic, by virtue of being listed individually in the National Register of Historic Places, or due to its location in a registered historic district and certified by the Secretary of the Interior as being of historical significance to the district, and the rehabilitation will be completed in such a manner as to be eligible for historic rehabilitation tax credits.

H. STRUCTURE AND UNITS INFORMATION

2. UNIT MIX

a. Specify the average size and number per unit type (as indicated in the Architect's Certification):

Note: Average sq foot should include the prorata of common space.

Unit Type	Average Sq Foot		# of LIHTC Units	Total Rental Units
Supportive Housing	0.00	SF	0	0
1 Story Eff - Elderly	0.00	SF	0	0
1 Story 1BR - Elderly	0.00	SF	0	0
1 Story 2BR - Elderly	0.00	SF	0	0
Eff - Elderly	606.29	SF	41	41
1BR Elderly	656.29	SF	84	84
2BR Elderly	0.00	SF	0	0
Eff - Garden	0.00	SF	0	0
1BR Garden	0.00	SF	0	0
2BR Garden	0.00	SF	0	0
3BR Garden	0.00	SF	0	0
4BR Garden	0.00	SF	0	0
2+ Story 2BR Townhouse	0.00	SF	0	0
2+ Story 3BR Townhouse	0.00	SF	0	0
2+ Story 4BR Townhouse	0.00	SF	0	0
			125	125

Note: Please be sure to enter the values in the appropriate unit category. If not, errors will occur on the self scoresheet.

3. Structures

- a. Number of Buildings (containing rental units)..... 2
- b. Age of Structure:..... 150 years
- c. Number of stories:..... 3
- d. The development is a scattered site development..... FALSE
- e. Commercial Area Intended Use: Not applicable
- f. Development consists primarily of : **(Only One Option Below Can Be True)**
 - i. Low Rise Building(s) - (1-5 stories with any structural elements made of wood)..... TRUE
 - ii. Mid Rise Building(s) - (5-7 stories with no structural elements made of wood)..... FALSE
 - iii. High Rise Building(s) - (8 or more stories with no structural elements made of wood)..... FALSE

H. STRUCTURE AND UNITS INFORMATION

g. Indicate **True** for all development's structural features that apply:

i. Row House/Townhouse	<u>FALSE</u>	v. Detached Single-family	<u>FALSE</u>
ii. Garden Apartments	<u>FALSE</u>	vi. Detached Two-family	<u>FALSE</u>
iii. Slab on Grade	<u>TRUE</u>	vii. Basement	<u>FALSE</u>
iv. Crawl space	<u>FALSE</u>		

h. Development contains an elevator(s).	<u>TRUE</u>
If true, # of Elevators.	<u>2</u>
Elevator Type (if known)	<u></u>

i. Roof Type	▶	<u>Combination</u>
j. Construction Type	▶	<u>Masonry</u>
k. Primary Exterior Finish	▶	<u>Brick</u>

4. Site Amenities (indicate all proposed)

a. Business Center.....	<u>TRUE</u>	f. Limited Access.....	<u>TRUE</u>
b. Covered Parking.....	<u>FALSE</u>	g. Playground.....	<u>FALSE</u>
c. Exercise Room.....	<u>TRUE</u>	h. Pool.....	<u>FALSE</u>
d. Gated access to Site.....	<u>TRUE</u>	i. Rental Office.....	<u>TRUE</u>
e. Laundry facilities.....	<u>TRUE</u>	j. Sports Activity Ct..	<u>FALSE</u>
		k. Other:	<u></u>

l. Describe Community Facilities: Community building includes kitchen, gathering space, gym, business cent

m. Number of Proposed Parking Spaces.....	<u>40</u>
Parking is shared with another entity	<u>FALSE</u>

n. Development located within 1/2 mile of an existing commuter rail, light rail or subway station or 1/4 mile from existing public bus stop. TRUE

If **True**, Provide required documentation (**TAB K3**).

H. STRUCTURE AND UNITS INFORMATION**5. Plans and Specifications****a. Minimum submission requirements for all properties (new construction, rehabilitation and adaptive reuse):**

- i. A location map with development clearly defined.
- ii. Sketch plan of the site showing overall dimensions of all building(s), major site elements (e.g., parking lots and location of existing utilities, and water, sewer, electric, gas in the streets adjacent to the site). Contour lines and elevations are not required.
- iii. Sketch plans of all building(s) reflecting overall dimensions of:
 - a. Typical floor plan(s) showing apartment types and placement
 - b. Ground floor plan(s) showing common areas
 - c. Sketch floor plan(s) of typical dwelling unit(s)
 - d. Typical wall section(s) showing footing, foundation, wall and floor structure
 Notes must indicate basic materials in structure, floor and exterior finish.

b. The following are due at reservation for Tax Exempt 4% Applications and at allocation for 9% Applications.

- i. Phase I environmental assessment.
- ii. Physical needs assessment for any rehab only development.

NOTE: All developments must meet Virginia Housing's **Minimum Design and Construction Requirements**. By signing and submitting the Application for Reservation of LIHTC, the applicant certifies that the proposed project budget, plans & specifications and work write-ups incorporate all necessary elements to fulfill these requirements.

6. Market Study Data:

Obtain the following information from the **Market Study** conducted in connection with this tax credit application:

Project Wide Capture Rate - LIHTC Units	8.50%
Project Wide Capture Rate - Market Units	N/A
Project Wide Capture Rate - All Units	8.50%
Project Wide Absorption Period (Months)	5

J. ENHANCEMENTS

Each development must meet the following baseline energy performance standard applicable to the development's construction category.

- a. **New Construction:** must meet all criteria for EPA EnergyStar certification.
- b. **Rehabilitation:** renovation must result in at least a 30% performance increase or score an 80 or lower on the HERS Index.
- c. **Adaptive Reuse:** must score a 95 or lower on the HERS Index.

Certification and HERS Index score must be verified by a third-party, independent, non-affiliated, certified RESNET home energy rater.

Indicate **True** for the following items that apply to the proposed development:

ACTION: Provide RESNET rater certification (**TAB F**)

ACTION: Provide Internet Safety Plan and Resident Information Form (Tab W) if options selected below.

1. For any development, upon completion of construction/rehabilitation:

New Constr.

- | | |
|--------|--|
| TRUE | a. A community/meeting room with a minimum of 749 square feet is provided. |
| 95.00% | b. Percentage of brick or other similar low-maintenance material approved by the Authority covering the exterior walls. Community buildings are to be included in percentage calculations. |
| FALSE | c. Water expense is sub-metered (the tenant will pay monthly or bi-monthly bill). |
| TRUE | d. All faucets, toilets and showerheads in each bathroom are WaterSense labeled products. |
| FALSE | e. Each unit is provided with the necessary infrastructure for high-speed internet/broadband service. |
| TRUE | f. Free WiFi access will be provided in community room for resident only usage. |
| FALSE | g. Each unit is provided free individual high speed internet access. |
| or | |
| TRUE | h. Each unit is provided free individual WiFi access. |
| FALSE | i. Full bath fans are wired to primary light with delayed timer or has continuous exhaust by ERV/DOAS. |
| or | |
| FALSE | j. Full bath fans are equipped with a humidistat. |
| FALSE | k. Cooking surfaces are equipped with fire prevention features |
| or | |
| FALSE | l. Cooking surfaces are equipped with fire suppression features. |
| or | |
| FALSE | m. Rehab only: Each unit has dedicated space, drain and electrical hook-ups to accept a permanently installed dehumidification system. |
| or | |
| FALSE | n. All Construction types: each unit is equipped with a permanent dehumidification system. |
| FALSE | o. All interior doors within units are solid core. |
| FALSE | p. Every kitchen, living room and bedroom contains, at minimum, one USB charging port. |
| TRUE | q. All kitchen light fixtures are LED and meet MDCR lighting guidelines. |
| FALSE | r. Each unit has a shelf or ledge outside the primary entry door located in an interior hallway. |
| FALSE | s. New construction only: Each unit to have balcony or patio with a minimum depth of 5 feet clear from face of building and a minimum size of 30 square feet. |

J. ENHANCEMENTS

For all developments exclusively serving elderly tenants upon completion of construction/rehabilitation:

- TRUE a. All cooking ranges have front controls.
- FALSE b. Bathrooms have an independent or supplemental heat source.
- TRUE c. All entrance doors have two eye viewers, one at 42" inches and the other at standard height.

2. Green Certification

- a. Applicant agrees to meet the base line energy performance standard applicable to the development's construction category as listed above.

The applicant will also obtain one of the following:

- | | | | |
|--------------------------------|--|--------------------------------|--|
| <input type="checkbox"/> FALSE | Earthcraft Gold or higher certification | <input type="checkbox"/> FALSE | National Green Building Standard (NGBS) certification of Silver or higher. |
| <input type="checkbox"/> FALSE | U.S. Green Building Council LEED certification | <input type="checkbox"/> FALSE | Enterprise Green Communities (EGC) Certification |

Action: If seeking any points associated Green certification, provide appropriate documentation at **TAB F**.

- b. Applicant will pursue one of the following certifications to be awarded points on a future development application. (Failure to reach this goal will not result in a penalty.)

- | | | | |
|--------------------------------|-------------------------------------|--------------------------------|-------------------------|
| <input type="checkbox"/> FALSE | Zero Energy Ready Home Requirements | <input type="checkbox"/> FALSE | Passive House Standards |
|--------------------------------|-------------------------------------|--------------------------------|-------------------------|

3. Universal Design - Units Meeting Universal Design Standards (units must be shown on Plans)

- FALSE a. Architect of record certifies that units will be constructed to meet Virginia Housing's Universal Design Standards.
- b. Number of Rental Units constructed to meet Virginia Housing's Universal Design standards:
0% of Total Rental Units

- 4. TRUE Market-rate units' amenities are substantially equivalent to those of the low income units.

If not, please explain:

BHZ	Architect of Record initial here that the above information is accurate per certification statement within this application.
-----	--

I. UTILITIES

1. Utilities Types:

- a. Heating Type Electric Forced Air
- b. Cooking Type Electric
- c. AC Type Central Air
- d. Hot Water Type Electric

2. Indicate True if the following services will be included in Rent:

- | | | | |
|-----------------|-------------|----------------------|-------------|
| Water?..... | <u>TRUE</u> | Heat?..... | <u>TRUE</u> |
| Hot Water?..... | <u>TRUE</u> | AC?..... | <u>TRUE</u> |
| Lighting?..... | <u>TRUE</u> | Sewer?..... | <u>TRUE</u> |
| Cooking? | <u>TRUE</u> | Trash Removal? | <u>TRUE</u> |

Utilities	Enter Allowances by Bedroom Size				
	0-BR	1-BR	2-BR	3-BR	4-BR
Heating	0	0	0	0	0
Air Conditioning	0	0	0	0	0
Cooking	0	0	0	0	0
Lighting	0	0	0	0	0
Hot Water	0	0	0	0	0
Water	0	0	0	0	0
Sewer	0	0	0	0	0
Trash	0	0	0	0	0
Total utility allowance for costs paid by tenant	\$0	\$0	\$0	\$0	\$0

3. The following sources were used for Utility Allowance Calculation (Provide documentation **TAB R**).

- a. FALSE HUD
- b. FALSE Utility Company (Estimate)
- c. FALSE Utility Company (Actual Survey)
- d. FALSE Local PHA
- e. FALSE Other: _____

Warning: The Virginia Housing housing choice voucher program utility schedule shown on VirginiaHousing.com should not be used unless directed to do so by the local housing authority.

K. SPECIAL HOUSING NEEDS

NOTE: Any Applicant commits to providing first preference to members of targeted populations having state rental assistance and will not impose any eligibility requirements or lease terms for such individuals that are more restrictive than its standard requirements and terms, the terms of the MOU establishing the target population, or the eligibility requirements for the state rental assistance.

1. **Accessibility:** Indicate **True** for the following point categories, as appropriate.

Action: Provide appropriate documentation (**Tab X**)

TRUE

a. Any development in which (i) the greater of 5 units or 10% of units will be assisted by HUD project-based vouchers (as evidenced by the submission of a letter satisfactory to the Authority from an authorized public housing authority (PHA) that the development meets all prerequisites for such assistance), or another form of documented and binding federal project-based rent subsidies in order to ensure occupancy by extremely low-income persons. Locality project based rental subsidy meets the definition of state project based rental subsidy;

(ii) will conform to HUD regulations interpreting the accessibility requirements of section 504 of the Rehabilitation Act; and be actively marketed to persons with disabilities as defined in the Fair Housing Act in accordance with a plan submitted as part of the application for credits.

(iii) above must include roll-in showers, roll under sinks and front control ranges, unless agreed to by the Authority prior to the applicant's submission of its application.

Documentation from source of assistance must be provided with the application.

Note: Subsidies may apply to any units, not only those built to satisfy Section 504. (60 points)

FALSE

b. Any development in which the greater of 5 units or 10% of the units (i) have rents within HUD’s Housing Choice Voucher (“HCV”) payment standard; (ii) conform to HUD regulations interpreting the accessibility requirements of section 504 of the Rehabilitation Act; and (iii) are actively marketed to persons with disabilities as defined in the Fair Housing Act in accordance with a plan submitted as part of the application for credits (30 points)

FALSE

c. Any development in which 5% of the units (i) conform to HUD regulations interpreting the accessibility requirements of section 504 of the Rehabilitation Act and (ii) are actively marketed to persons with disabilities as defined in the Fair Housing Act in accordance with a plan submitted as part of this application for credits. (15 points)

For items a,b or c, all common space must also conform to HUD regulations interpreting the accessibility requirements of section 504 of the Rehabilitation Act.

BHZ Architect of Record initial here that the above information is accurate per certification statement within this application.

K. SPECIAL HOUSING NEEDS

2. Special Housing Needs/Leasing Preference:

a. If not general population, select applicable special population:

- TRUE** Elderly (as defined by the United States Fair Housing Act.)
- FALSE** Persons with Disabilities (must meet the requirements of the Federal Americans with Disabilities Act) - Accessible Supportive Housing Pool only
- FALSE** Supportive Housing (as described in the Tax Credit Manual)

Action: Provide Permanent Supportive Housing Certification (**Tab S**)

b. The development has existing tenants and a relocation plan has been developed..... **TRUE**

(If **True**, Virginia Housing policy requires that the impact of economic and/or physical displacement on those tenants be minimized, in which Owners agree to abide by the Authority's Relocation Guidelines for LIHTC properties.)

Action: Provide Relocation Plan and Unit Delivery Schedule (**Mandatory if tenants are displaced - Tab J**)

3. Leasing Preferences

a. Will leasing preference be given to applicants on a public housing waiting list and/or Section 8 waiting list? select:

Organization which holds waiting list:

Contact person:

Title:

Phone Number:

Action: Provide required notification documentation (**TAB L**)

b. Leasing preference will be given to individuals and families with children..... **FALSE**
(Less than or equal to 20% of the units must have of 1 or less bedrooms).

c. Specify the number of low-income units that will serve individuals and families with children by providing three or more bedrooms:
% of total Low Income Units

NOTE: Development must utilize a **Virginia Housing Certified Management Agent**. Proof of management certification must be provided before 8609s are issued.

K. SPECIAL HOUSING NEEDS

3. Target Population Leasing Preference

Unless prohibited by an applicable federal subsidy program, each applicant shall commit to provide a leasing preference to individuals (i) in a target population identified in a memorandum of understanding between the Authority and one or more participating agencies of the Commonwealth, (ii) having a voucher or other binding commitment for rental assistance from the Commonwealth, and (iii) referred to the development by a referring agent approved by the Authority. The leasing preference shall not be applied to more than ten percent (10%) of the units in the development at any given time. The applicant may not impose tenant selection criteria or leasing terms with respect to individuals receiving this preference that are more restrictive than the applicant’s tenant selection criteria or leasing terms applicable to prospective tenants in the development that do not receive this preference, the eligibility criteria for the rental assistance from the Commonwealth, or any eligibility criteria contained in a memorandum of understanding between the Authority and one or more participating agencies of the Commonwealth.

Primary Contact for Target Population leasing preference. The agency will contact as needed.

First Name:

Last Name:

Phone Number:

Email:

4. Rental Assistance

a. Some of the low-income units do or will receive rental assistance..... **TRUE**

b. Indicate True if rental assistance will be available from the following

FALSE Rental Assistance Demonstration (RAD) or other PHA conversion to based rental assistance.

TRUE Section 8 New Construction Substantial Rehabilitation

FALSE Section 8 Moderate Rehabilitation

FALSE Section 8 Certificates

TRUE Section 8 Project Based Assistance

FALSE RD 515 Rental Assistance

FALSE Section 8 Vouchers

*Administering Organization:

FALSE State Assistance

*Administering Organization:

FALSE Other:

K. SPECIAL HOUSING NEEDS

c. The Project Based vouchers above are applicable to the 30% units seeking points.

FALSE

i. If True above, how many of the 30% units will not have project based vouchers?

0

d. Number of units receiving assistance:

113

How many years in rental assistance contract?

20.00

Expiration date of contract:

6/1/2034

There is an Option to Renew.....

TRUE

Action: Contract or other agreement provided **(TAB Q)**.

L. UNIT DETAILS

1. Set-Aside Election:

UNITS SELECTED IN INCOME AND RENT DETERMINE POINTS FOR THE BONUS POINT CATEGORY

Note: In order to qualify for any tax credits, a development must meet one of two minimum threshold occupancy tests. Either (i) at least 20% of the units must be rent-restricted and occupied by persons whose incomes are 50% or less of the area median income adjusted for family size (this is called the 20/50 test) or (ii) at least 40% of the units must be rent-restricted and occupied by persons whose incomes are 60% or less of the area median income adjusted for family size (this is called the 40/60 test), all as described in Section 42 of the IRC. Rent-and income-restricted units are known as low-income units. If you have more low-income units than required, you qualify for more credits. If you serve lower incomes than required, you receive more points under the ranking system.

a. Units Provided Per Household Type:

Warning: Greater than 50% of units does not increase bonus points.

Income Levels			Avg Inc.
# of Units	% of Units		
0	0.00%	20% Area Median	[REDACTED]
0	0.00%	30% Area Median	
0	0.00%	40% Area Median	
125	100.00%	50% Area Median	
0	0.00%	60% Area Median	
0	0.00%	70% Area Median	
0	0.00%	80% Area Median	
0	0.00%	Market Units	
125	100.00%	Total	

Rent Levels			Avg Inc.
# of Units	% of Units		
0	0.00%	20% Area Median	[REDACTED]
0	0.00%	30% Area Median	
0	0.00%	40% Area Median	
125	100.00%	50% Area Median	
0	0.00%	60% Area Median	
0	0.00%	70% Area Median	
0	0.00%	80% Area Median	
0	0.00%	Market Units	
125	100.00%	Total	

- b. The development plans to utilize average income..... FALSE
- If true, should the points based on the units assigned to the levels above **be waived** and therefore not required for compliance?
- 20-30% Levels FALSE 40% Levels FALSE 50% levels FALSE

2. Unit Detail

FOR YOUR CONVENIENCE, COPY AND PASTE IS ALLOWED WITHIN UNIT MIX GRID

In the following grid, add a row for each unique unit type planned within the development. Enter the appropriate data for both tax credit and market rate units.

BHZ

Architect of Record initial here that the information below is accurate per certification statement within this application.

	Unit Type (Select One)	Rent Target (Select One)	Number of Units	# of Units 504 compliant	Net Rentable Square Feet	Monthly Rent Per Unit	Total Monthly Rent
Mix 1	Efficiency	50% AMI	41		690.00	\$1,063.00	\$43,583
Mix 2	1 BR - 1 Bath	50% AMI	72		699.00	\$1,110.00	\$79,920
Mix 3	1 BR - 1 Bath	50% AMI	12		469.00	\$487.00	\$5,844
Mix 4							\$0
Mix 5							\$0
Mix 6							\$0
Mix 7							\$0
Mix 8							\$0
Mix 9							\$0
Mix 10							\$0
Mix 11							\$0
Mix 12							\$0
Mix 13							\$0
Mix 14							\$0
Mix 15							\$0
Mix 16							\$0

L. UNIT DETAILS

Mix 17								\$0
Mix 18								\$0
Mix 19								\$0
Mix 20								\$0
Mix 21								\$0
Mix 22								\$0
Mix 23								\$0
Mix 24								\$0
Mix 25								\$0
Mix 26								\$0
Mix 27								\$0
Mix 28								\$0
Mix 29								\$0
Mix 30								\$0
Mix 31								\$0
Mix 32								\$0
Mix 33								\$0
Mix 34								\$0
Mix 35								\$0
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Mix 37								\$0
Mix 38								\$0
Mix 39								\$0
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Mix 66								\$0
Mix 67								\$0
Mix 68								\$0
Mix 69								\$0
Mix 70								\$0
Mix 71								\$0
Mix 72								\$0
Mix 73								\$0

L. UNIT DETAILS

Mix 74								\$0
Mix 75								\$0
Mix 76								\$0
Mix 77								\$0
Mix 78								\$0
Mix 79								\$0
Mix 80								\$0
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Mix 89								\$0
Mix 90								\$0
Mix 91								\$0
Mix 92								\$0
Mix 93								\$0
Mix 94								\$0
Mix 95								\$0
Mix 96								\$0
Mix 97								\$0
Mix 98								\$0
Mix 99								\$0
Mix 100								\$0
TOTALS			125	0				\$129,347

Verify # of 504 Units based on previous tab.

Total	125	Net Rentable SF:	TC Units	84,246.00
Units			MKT Units	0.00
			Total NR SF:	84,246.00

Floor Space Fraction (to 7 decimals)	100.00000%
---	-------------------

M. OPERATING EXPENSES

Administrative:

Use Whole Numbers Only!

1. Advertising/Marketing			\$2,952
2. Office Salaries			\$70,000
3. Office Supplies			\$0
4. Office/Model Apartment	(type _____)		\$1,145
5. Management Fee			\$86,611
	5.87% of EGI	\$692.89	Per Unit
6. Manager Salaries			\$0
7. Staff Unit (s)	(type _____)		\$0
8. Legal			\$3,000
9. Auditing			\$0
10. Bookkeeping/Accounting Fees			\$5,700
11. Telephone & Answering Service			\$23,750
12. Tax Credit Monitoring Fee			\$0
13. Miscellaneous Administrative			\$0
Total Administrative			\$193,158

Utilities

14. Fuel Oil			
15. Electricity			\$60,000
16. Water			\$60,000
17. Gas			\$50,000
18. Sewer			\$0
Total Utility			\$170,000

Operating:

19. Janitor/Cleaning Payroll			\$0
20. Janitor/Cleaning Supplies			\$0
21. Janitor/Cleaning Contract			\$0
22. Exterminating			\$0
23. Trash Removal			\$0
24. Security Payroll/Contract			\$40,000
25. Grounds Payroll			\$0
26. Grounds Supplies			\$0
27. Grounds Contract			\$0
28. Maintenance/Repairs Payroll			\$110,000
29. Repairs/Material			\$126,000
30. Repairs Contract			\$0
31. Elevator Maintenance/Contract			\$0
32. Heating/Cooling Repairs & Maintenance			\$0
33. Pool Maintenance/Contract/Staff			\$0
34. Snow Removal			\$0
35. Decorating/Payroll/Contract			\$0
36. Decorating Supplies			\$0
37. Miscellaneous			\$0
Totals Operating & Maintenance			\$276,000

M. OPERATING EXPENSES

Taxes & Insurance

38. Real Estate Taxes	\$67,400
39. Payroll Taxes	\$22,000
40. Miscellaneous Taxes/Licenses/Permits	\$0
41. Property & Liability Insurance	\$49,000
42. Fidelity Bond	\$0
43. Workman's Compensation	\$5,000
44. Health Insurance & Employee Benefits	\$7,000
45. Other Insurance	\$0
Total Taxes & Insurance	\$150,400

Total Operating Expense **\$789,558**

Total Operating Expenses Per Unit	<u>\$6,316</u>	C. Total Operating Expenses as % of EGI	<u>53.55%</u>
--	----------------	--	---------------

Replacement Reserves (Total # Units X \$300 or \$250 New Const. Elderly Minimum) **\$50,000**

Total Expenses	\$839,558
-----------------------	------------------

ACTION: Provide Documentation of Operating Budget at **Tab R** if applicable.

N. PROJECT SCHEDULE

ACTIVITY	ACTUAL OR ANTICIPATED DATE	NAME OF RESPONSIBLE PERSON
1. SITE		
a. Option/Contract	8/29/2019	Capital Realty Group
b. Site Acquisition	12/31/2020	Capital Realty Group
c. Zoning Approval	Matter of Right	
d. Site Plan Approval	Existing Structures	
2. Financing		
a. Construction Loan		
i. Loan Application	3/15/2020	Capital Realty Group
ii. Conditional Commitment	5/15/2020	CRBT
iii. Firm Commitment	7/15/2020	CRBT
b. Permanent Loan - First Lien		
i. Loan Application	3/15/2020	CRBT
ii. Conditional Commitment	5/15/2020	CRBT
iii. Firm Commitment	7/15/2020	CRBT
c. Permanent Loan-Second Lien		
i. Loan Application		
ii. Conditional Commitment		
iii. Firm Commitment		
d. Other Loans & Grants		
i. Type & Source, List		
ii. Application	10/1/2020	Capital Realty Group
iii. Award/Commitment	11/1/2020	VA Housing
2. Formation of Owner	9/21/2018	Capital Realty Group
3. IRS Approval of Nonprofit Status	2/19/2014	House of David
4. Closing and Transfer of Property to Owner	12/20/2020	Capital Realty Group
5. Plans and Specifications, Working Drawings	10/19/2020	ZA+D
6. Building Permit Issued by Local Government	1/29/2021	City of Richmond
7. Start Construction	2/1/2021	Weaver-Cooke
8. Begin Lease-up	Occupied Building	
9. Complete Construction	12/31/2021	Weaver-Cooke
10. Complete Lease-Up	Occupied Building	
11. Credit Placed in Service Date	12/31/2021	Capital Realty Group

O. PROJECT BUDGET - HARD COSTS**Cost/Basis/Maximum Allowable Credit**

Complete cost column and basis column(s) as appropriate

Note: Attorney must opine, among other things, as to correctness of the inclusion of each cost item in eligible basis, type of credit and numerical calculations included in Project Budget.

Item	(A) Cost	Amount of Cost up to 100% Includable in Eligible Basis--Use Applicable Column(s):		
		"30% Present Value Credit"		(D)
		(B) Acquisition	(C) Rehab/ New Construction	"70 % Present Value Credit"
1. Contractor Cost				
a. Unit Structures (New)	0	0	0	0
b. Unit Structures (Rehab)	9,400,000	0	9,400,000	0
c. Non Residential Structures	600,000	0	600,000	0
d. Commercial Space Costs	0	0	0	0
e. Structured Parking Garage	0	0	0	0
Total Structure	10,000,000	0	10,000,000	0
f. Earthwork	200,000	0	200,000	0
g. Site Utilities	126,316	0	126,316	0
h. Roads & Walks	0	0	0	0
i. Site Improvements	0	0	0	0
j. Lawns & Planting	0	0	0	0
k. Engineering	0	0	0	0
l. Off-Site Improvements	0	0	0	0
m. Site Environmental Mitigation	0	0	0	0
n. Demolition	200,000	0	200,000	0
o. Site Work	0	0	0	0
p. Other Site work	0	0	0	0
Total Land Improvements	526,316	0	526,316	0
Total Structure and Land	10,526,316	0	10,526,316	0
q. General Requirements	631,579	0	631,579	0
r. Builder's Overhead (2.0% Contract)	210,526	0	210,526	0
s. Builder's Profit (6.0% Contract)	631,579	0	631,579	0
t. Bonds	131,730	0	131,730	0
u. Building Permits	0	0	0	0
v. Special Construction	0	0	0	0
w. Special Equipment	0	0	0	0
x. Other 1: <u>Cost Certification</u>	7,500	0	7,500	0
y. Other 2: _____	0	0	0	0
z. Other 3: _____	0	0	0	0
Contractor Costs	\$12,139,230	\$0	\$12,139,230	\$0 #

O. PROJECT BUDGET - OWNER COSTS**MUST USE WHOLE NUMBERS ONLY!**

Item	(A) Cost	Amount of Cost up to 100% Includable in Eligible Basis--Use Applicable Column(s):		
		"30% Present Value Credit"		(D)
		(B) Acquisition	(C) Rehab/ New Construction	"70 % Present Value Credit"
2. Owner Costs				
a. Building Permit	90,000	0	90,000	0
b. Architecture/Engineering Design Fee \$2,960 /Unit)	370,000	0	370,000	0
c. Architecture Supervision Fee \$0 /Unit)	0	0	0	0
d. Tap Fees	0	0	0	0
e. Environmental	38,000	0	38,000	0
f. Soil Borings	25,000	0	25,000	0
g. Green Building (Earthcraft, LEED, etc.)	0	0	0	0
h. Appraisal	15,000	0	15,000	0
i. Market Study	15,000	0	15,000	0
j. Site Engineering / Survey	25,000	0	25,000	0
k. Construction/Development Mgt	250,000	0	250,000	0
l. Structural/Mechanical Study	15,000	0	15,000	0
m. Construction Loan Origination Fee	117,313	0	0	0
n. Construction Interest (0.0% for 0 months)	730,000	0	0	0
o. Taxes During Construction	0	0	0	0
p. Insurance During Construction	123,591	0	123,591	0
q. Permanent Loan Fee (0.0%)	0	0	0	0
r. Other Permanent Loan Fees	0	0	0	0
s. Letter of Credit	0	0	0	0
t. Cost Certification Fee	0	0	0	0
u. Accounting	0	0	0	0
v. Title and Recording	50,000	0	50,000	0
w. Legal Fees for Closing	75,000	0	0	0
x. Mortgage Banker	150,000	0	0	0
y. Tax Credit Fee	0			
z. Tenant Relocation	79,441	0	0	0
aa. Fixtures, Furnitures and Equipment	250,000	0		0
ab. Organization Costs	0	0	0	0
ac. Operating Reserve	0	0	0	0
ad. Contingency	750,000	0	750,000	0
ae. Security	100,000	0	100,000	0
af. Utilities	0	0	0	0

O. PROJECT BUDGET - OWNER COSTS

(1) Other* specify:	0	0	0	0
(2) Other* specify:		0	0	0
(3) Other* specify:	0	0	0	0
(4) Other* specify:	0	0	0	0
(5) Other * specify:	0	0	0	0
(6) Other* specify:	0	0	0	0
(7) Other* specify:	0	0	0	0
(8) Other* specify:	0	0	0	0
(9) Other* specify:	0	0	0	0
(10) Other* specify:	0	0	0	0
Owner Costs Subtotal (Sum 2A..2(10))	\$3,268,345	\$0	\$1,866,591	\$0
Subtotal 1 + 2 (Owner + Contractor Costs)	\$15,407,575	\$0	\$14,005,821	\$0
3. Developer's Fees Action: Provide Developer Fee Agreement (Tab A)	2,300,000	0	2,300,000	0
4. Owner's Acquisition Costs				
Land	1,200,000			
Existing Improvements	7,110,000	7,110,000		
Subtotal 4:	\$8,310,000	\$7,110,000		
5. Total Development Costs Subtotal 1+2+3+4:	\$26,017,575	\$7,110,000	\$16,305,821	\$0

If this application seeks rehab credits only, in which there is no acquisition and **no change in ownership**, enter the greater of appraised value or tax assessment value here:

(Provide documentation at Tab E)

\$0	Land
\$0	Building

Maximum Developer Fee: \$2,327,406

Proposed Development's Cost per Sq Foot	\$194	Meets Limits
Applicable Cost Limit by Square Foot:	\$197	

2021 Low-Income Housing Tax Credit Application For Reservation

P. ELIGIBLE BASIS CALCULATION

Item	(A) Cost	Amount of Cost up to 100% Includable in Eligible Basis--Use Applicable Column(s):		
		"30 % Present Value Credit"		(D) "70 % Present Value Credit"
		(B) Acquisition	(C) Rehab/ New Construction	
1. Total Development Costs	26,017,575	7,110,000	16,305,821	0
2. Reductions in Eligible Basis				
a. Amount of federal grant(s) used to finance qualifying development costs		0	0	0
b. Amount of nonqualified, nonrecourse financing		0	0	0
c. Costs of nonqualifying units of higher quality (or excess portion thereof)		0	0	0
d. Historic Tax Credit (residential portion)		0	0	0
# 3. Total Eligible Basis (1 - 2 above)		7,110,000	16,305,821	0
# 4. Adjustment(s) to Eligible Basis (For non-acquisition costs in eligible basis)				
a. For QCT or DDA (Eligible Basis x 30%) <i>State Designated Basis Boosts:</i>			4,891,746	0
b. For Revitalization or Supportive Housing (Eligible Basis x 30%)			0	0
c. For Green Certification (Eligible Basis x 10%)				0
Total Adjusted Eligible basis			21,197,567	0
# 5. Applicable Fraction		100.00000%	100.00000%	100.00000%
# 6. Total Qualified Basis (Eligible Basis x Applicable Fraction)		7,110,000	21,197,567	0
# 7. Applicable Percentage <i>(Beginning in 2021, All Tax Exempt requests should use the standard 4% rate and all 9% requests should use the standard 9% rate.)</i>		4.00%	4.00%	9.00%
# 8. Maximum Allowable Credit under IRC §42 (Qualified Basis x Applicable Percentage) (Must be same as BIN total and equal to or less than credit amount allowed)		\$284,400	\$847,903	\$0
			\$1,132,303 Combined 30% & 70% P. V. Credit	

Q. SOURCES OF FUNDS

Action: Provide Documentation for all Funding Sources at **Tab T**

1. Construction Financing: List individually the sources of construction financing, including any such loans financed through grant sources:

Source of Funds	Date of Application	Date of Commitment	Amount of Funds	Name of Contact Person
1. Seller Note			\$3,500,000	Moshe Eichler
2. CRBT Loan			\$11,000,000	Michael Goerd
3.				
Total Construction Funding:			\$14,500,000	

2. Permanent Financing: List individually the sources of all permanent financing in order of lien position:

Source of Funds	Date of Application	Date of Commitment	<i>(Whole Numbers only)</i>		Interest Rate of Loan	Amortization Period IN YEARS	Term of Loan (years)
			Amount of Funds	Annual Debt Service Cost			
1. CRBT Loan			\$11,000,000	\$547,581	3.95%	40.00	17.00
2. Seller Note			\$1,500,000				
3. NOI			\$757,715				
4. Deffered Fee			\$773,800				
5.							
6.							
7.							
8.							
9.							
10.							
Total Permanent Funding:			\$14,031,515	\$547,581			

3. Grants: List all grants provided for the development:

Source of Funds	Date of Application	Date of Commitment	Amount of Funds	Name of Contact Person
1.				
2.				
3.				
4.				
5.				
6.				
Total Permanent Grants:			\$0	

Q. SOURCES OF FUNDS

4. Subsidized Funding

	Source of Funds	Date of Commitment	Amount of Funds
1.			
2.			
3.			
4.			
5.			
Total Subsidized Funding			\$0

5. Recap of Federal, State, and Local Funds

Portions of the sources of funds described above for the development are financed directly or indirectly with Federal, State, or Local Government Funds..... **FALSE**

If above is **True**, then list the amount of money involved by all appropriate types.

Below-Market Loans

TE: See Below For 50% Test Status

a.	Tax Exempt Bonds	\$14,500,000
b.	RD 515	\$0
c.	Section 221(d)(3)	\$0
d.	Section 312	\$0
e.	Section 236	\$0
f.	VHDA SPARC/REACH	\$0
g.	HOME Funds	\$0
h.	Other:	\$0
i.	Other:	\$0

Market-Rate Loans

a.	Taxable Bonds	\$0
b.	Section 220	\$0
c.	Section 221(d)(3)	\$0
d.	Section 221(d)(4)	\$0
e.	Section 236	\$0
f.	Section 223(f)	\$0
g.	Other:	\$0

Grants*

a.	CDBG	\$0
b.	UDAG	\$0

Grants

c.	State	
d.	Local	
e.	Other:	

*This means grants to the partnership. If you received a loan financed by a locality which received one of the listed grants, please list it in the appropriate loan column as "other" and describe the applicable grant program which funded it.

Q. SOURCES OF FUNDS

6. For Transactions Using Tax-Exempt Bonds Seeking 4% Credits:

For purposes of the 50% Test, and based only on the data entered to this application, the portion of the aggregate basis of buildings and land financed with tax-exempt funds is: **58.91%**

7. Some of the development's financing has credit enhancements..... **FALSE**

If **True**, list which financing and describe the credit enhancement:

[Empty text box for credit enhancement details]

8. Other Subsidies **Action: Provide documentation (Tab Q)**

a. **FALSE** Real Estate Tax Abatement on the increase in the value of the development.

b. **FALSE** **New** project based subsidy from HUD or Rural Development for the greater of 5 or 10% of the units in the development.

c. **FALSE** Other [Empty text box]

9. A HUD approval for transfer of physical asset is required..... **TRUE**

R. EQUITY

1. Equity

a. Portion of Syndication Proceeds Attributable to Historic Tax Credit					
Amount of Federal historic credits	\$3,510,457	x Equity \$	\$0.830	=	\$2,913,679
Amount of Virginia historic credits	\$4,388,072	x Equity \$	\$0.835	=	\$3,664,040
b. Equity that Sponsor will Fund:					
i. Cash Investment	\$0				
ii. Contributed Land/Building	\$0				
iii. Deferred Developer Fee	\$0	(Note: Deferred Developer Fee cannot be negative.)			
iv. Other:	\$0				
ACTION: If Deferred Developer Fee is greater than 50% of overall Developer Fee, provide a cash flow statement showing payoff within 15 years at TAB A.					
Equity Total	<u>\$0</u>				

2. Equity Gap Calculation

a. Total Development Cost	\$26,017,575
b. Total of Permanent Funding, Grants and Equity	- <u>\$20,609,234</u>
c. Equity Gap	\$5,408,341
d. Developer Equity	- <u>(\$1,500,000)</u>
e. Equity gap to be funded with low-income tax credit proceeds	\$6,908,341

3. Syndication Information (If Applicable)

a. Actual or Anticipated Name of Syndicator:	RedStone		
Contact Person:	Darren Swansen	Phone:	(704) 200-9508
Street Address:	6000 Fairview Road, Suite 550		
City:	Charlotte	State:	#REF!
		Zip:	2820
b. Syndication Equity			
i. Anticipated Annual Credits	\$812,949.00		
ii. Equity Dollars Per Credit (e.g., \$0.85 per dollar of credit)	\$0.850		
iii. Percent of ownership entity (e.g., 99% or 99.9%)	99.97500%		
iv. Syndication costs not included in Total Development Costs (e.g., advisory fees)	\$0		
v. Net credit amount anticipated by user of credits	\$812,746		
vi. Total to be paid by anticipated users of credit (e.g., limited partners)	\$6,908,341		
c. Syndication:	Private		
d. Investors:	Corporate		

4. Net Syndication Amount

Which will be used to pay for Total Development Costs	<u>\$6,908,341</u>
---	--------------------

5. Net Equity Factor

Must be equal to or greater than 85%	<u>85.0000248125%</u>
--------------------------------------	-----------------------

S. DETERMINATION OF RESERVATION AMOUNT NEEDED

The following calculation of the amount of credits needed is substantially the same as the calculation which will be made by Virginia Housing to determine, as required by the IRC, the amount of credits which may be allocated for the development. However, Virginia Housing at all times retains the right to substitute such information and assumptions as are determined by Virginia Housing to be reasonable for the information and assumptions provided herein as to costs (including development fees, profits, etc.), sources for funding, expected equity, etc. Accordingly, if the development is selected by Virginia Housing for a reservation of credits, the amount of such reservation may differ significantly from the amount you compute below.

1. Total Development Costs		<u>\$26,017,575</u>
2. Less Total of Permanent Funding, Grants and Equity	-	<u>\$20,609,234</u>
3. Equals Equity Gap		<u>\$5,408,341</u>
4. Divided by Net Equity Factor (Percent of 10-year credit expected to be raised as equity investment)		<u>85.0000248125%</u>
5. Equals Ten-Year Credit Amount Needed to Fund Gap		<u>\$6,362,752</u>
Divided by ten years		<u>10</u>
6. Equals Annual Tax Credit Required to Fund the Equity Gap		<u>\$636,275</u>
7. Maximum Allowable Credit Amount (from Eligible Basis Calculation)		<u>\$1,132,303</u>
8. Requested Credit Amount	For 30% PV Credit:	<u>\$0</u>
	For 70% PV Credit:	<u>\$0</u>
Credit per LI Units	<u>\$0.0000</u>	
Credit per LI Bedroom	<u>\$0.0000</u>	
	Combined 30% & 70% PV Credit Requested	\$0

Anticipated Amount on Equity Tab must equal requested amount

9. **Action:** Provide Attorney’s Opinion (**Mandatory Tab H**)

T. CASH FLOW

1. Revenue

Indicate the estimated monthly income for the **Low-Income Units** (based on Unit Details tab):

Total Monthly Rental Income for LIHTC Units		\$129,347
Plus Other Income Source (list):	<input type="text"/>	\$0
Equals Total Monthly Income:		<u>\$129,347</u>
Twelve Months		x12
Equals Annual Gross Potential Income		<u>\$1,552,164</u>
Less Vacancy Allowance	<input type="text" value="5.0%"/>	<u>\$77,608</u>
Equals Annual Effective Gross Income (EGI) - Low Income Units		<u><u>\$1,474,556</u></u>

2. Indicate the estimated monthly income for the **Market Rate Units** (based on Unit Details tab):

Total Monthly Income for Market Rate Units:		\$0
Plus Other Income Source (list):	<input type="text"/>	\$0
Equals Total Monthly Income:		<u>\$0</u>
Twelve Months		x12
Equals Annual Gross Potential Income		<u>\$0</u>
Less Vacancy Allowance	<input type="text" value="0.0%"/>	<u>\$0</u>
Equals Annual Effective Gross Income (EGI) - Market Rate Units		<u><u>\$0</u></u>

Action: Provide documentation in support of Operating Budget (**TAB R**)

3. Cash Flow (First Year)

a.	Annual EGI Low-Income Units	<u>\$1,474,556</u>
b.	Annual EGI Market Units	<u>\$0</u>
c.	Total Effective Gross Income	<u>\$1,474,556</u>
d.	Total Expenses	<u>\$839,558</u>
e.	Net Operating Income	<u>\$634,998</u>
f.	Total Annual Debt Service	<u>\$547,581</u>
g.	Cash Flow Available for Distribution	<u>\$87,417</u>

T. CASH FLOW

4. Projections for Financial Feasibility - 15 Year Projections of Cash Flow

	Stabilized Year 1	Year 2	Year 3	Year 4	Year 5
Eff. Gross Income	1,474,556	1,504,047	1,534,128	1,564,810	1,596,107
Less Oper. Expenses	839,558	864,745	890,687	917,408	944,930
Net Income	634,998	639,302	643,441	647,403	651,177
Less Debt Service	547,581	547,581	547,581	547,581	547,581
Cash Flow	87,417	91,721	95,860	99,822	103,596
Debt Coverage Ratio	1.16	1.17	1.18	1.18	1.19

	Year 6	Year 7	Year 8	Year 9	Year 10
Eff. Gross Income	1,628,029	1,660,589	1,693,801	1,727,677	1,762,231
Less Oper. Expenses	973,278	1,002,476	1,032,550	1,063,527	1,095,433
Net Income	654,751	658,113	661,251	664,150	666,798
Less Debt Service	547,581	547,581	547,581	547,581	547,581
Cash Flow	107,170	110,532	113,670	116,569	119,217
Debt Coverage Ratio	1.20	1.20	1.21	1.21	1.22

	Year 11	Year 12	Year 13	Year 14	Year 15
Eff. Gross Income	1,797,475	1,833,425	1,870,093	1,907,495	1,945,645
Less Oper. Expenses	1,128,296	1,162,145	1,197,009	1,232,919	1,269,907
Net Income	669,180	671,280	673,084	674,576	675,738
Less Debt Service	547,581	547,581	547,581	547,581	547,581
Cash Flow	121,599	123,699	125,503	126,995	128,157
Debt Coverage Ratio	1.22	1.23	1.23	1.23	1.23

Estimated Annual Percentage Increase in Revenue 2.00% (Must be < 2%)
 Estimated Annual Percentage Increase in Expenses 3.00% (Must be > 3%)

U. Building-by-Building Information

Must Complete

Qualified basis must be determined on a building-by building basis. Complete the section below. Building street addresses are required by the IRS (must have them by the time of allocation request).

Number of BINS: 2

Total Qualified Basis should equal total on Elig Basis Tab

FOR YOUR CONVENIENCE, COPY AND PASTE IS ALLOWED WITHIN BUILDING GRID

DO NOT use the CUT feature

Bldg #	BIN if known	NUMBER OF		Street Address 1	Street Address 2	City	State	Zip	30% Present Value Credit for Acquisition				30% Present Value Credit for Rehab / New Construction				70% Present Value Credit				
		TAX CREDIT UNITS	MARKET RATE UNITS						Estimate Qualified Basis	Actual or Anticipated In-Service Date	Applicable Percentage	Credit Amount	Estimate Qualified Basis	Actual or Anticipated In-Service Date	Applicable Percentage	Credit Amount	Estimate Qualified Basis	Actual or Anticipated In-Service Date	Applicable Percentage	Credit Amount	
1.	TBD	113	0	210 Hospital Street		Richmond	VA	23219	\$7,110,000	12/31/21	90.40%	\$6,427,440	\$15,790,230	12/31/21	90.40%	\$14,274,368				\$0	
2.	TBD	12	0	212 Hospital Street		Richmond	VA	23219	\$7,110,000	12/31/21	9.60%	\$682,560	\$15,790,230	12/31/21	9.60%	\$1,515,862				\$0	
3.												\$0				\$0				\$0	
4.												\$0				\$0				\$0	
5.												\$0				\$0				\$0	
6.												\$0				\$0				\$0	
7.												\$0				\$0				\$0	
8.												\$0				\$0				\$0	
9.												\$0				\$0				\$0	
10.												\$0				\$0				\$0	
11.												\$0				\$0				\$0	
12.												\$0				\$0				\$0	
13.												\$0				\$0				\$0	
14.												\$0				\$0				\$0	
15.												\$0				\$0				\$0	
16.												\$0				\$0				\$0	
17.												\$0				\$0				\$0	
18.												\$0				\$0				\$0	
19.												\$0				\$0				\$0	
20.												\$0				\$0				\$0	
21.												\$0				\$0				\$0	
22.												\$0				\$0				\$0	
23.												\$0				\$0				\$0	
24.												\$0				\$0				\$0	
25.												\$0				\$0				\$0	
26.												\$0				\$0				\$0	
27.												\$0				\$0				\$0	
28.												\$0				\$0				\$0	
29.												\$0				\$0				\$0	
30.												\$0				\$0				\$0	
31.												\$0				\$0				\$0	
32.												\$0				\$0				\$0	
33.												\$0				\$0				\$0	
34.												\$0				\$0				\$0	
35.												\$0				\$0				\$0	
		125	0	Totals from all buildings					\$14,220,000				\$7,110,000				\$31,580,460			\$0	\$0

Qualified basis should not exceed values on Elig Basis.

Number of BINS: 2

V. STATEMENT OF OWNER

The undersigned hereby acknowledges the following:


1. that, to the best of its knowledge and belief, all factual information provided herein or in connection herewith is true and correct, and all estimates are reasonable.
2. that it will at all times indemnify and hold harmless Virginia Housing and its assigns against all losses, costs, damages, Virginia Housing's expenses, and liabilities of any nature directly or indirectly resulting from, arising out of, or relating to Virginia Housing's acceptance, consideration, approval, or disapproval of this reservation request and the issuance or nonissuance of an allocation of credits, grants and/or loan funds in connection herewith.
3. that points will be assigned only for representations made herein for which satisfactory documentation is submitted herewith and that no revised representations may be made in connection with this application once the deadline for applications has passed.
4. that this application form, provided by Virginia Housing to applicants for tax credits, including all sections herein relative to basis, credit calculations, and determination of the amount of the credit necessary to make the development financially feasible, is provided only for the convenience of Virginia Housing in reviewing reservation requests; that completion hereof in no way guarantees eligibility for the credits or ensures that the amount of credits applied for has been computed in accordance with IRC requirements; and that any notations herein describing IRC requirements are offered only as general guides and not as legal authority.
5. that the undersigned is responsible for ensuring that the proposed development will be comprised of qualified low-income buildings and that it will in all respects satisfy all applicable requirements of federal tax law and any other requirements imposed upon it by Virginia Housing prior to allocation, should one be issued.
6. that the undersigned commits to providing first preference to members of targeted populations having state rental assistance and will not impose any eligibility requirements or lease terms for such individuals that are more restrictive than its standard requirements and terms, the terms of the MOU establishing the target population, or the eligibility requirements for the state rental assistance.
7. that, for the purposes of reviewing this application, Virginia Housing is entitled to rely upon representations of the undersigned as to the inclusion of costs in eligible basis and as to all of the figures and calculations relative to the determination of qualified basis for the development as a whole and/or each building therein individually as well as the amounts and types of credit applicable thereof, but that the issuance of a reservation based on such representation in no way warrants their correctness or compliance with IRC requirements.
8. that Virginia Housing may request or require changes in the information submitted herewith, may substitute its own figures which it deems reasonable for any or all figures provided herein by the undersigned and may reserve credits, if any, in an amount significantly different from the amount requested.
9. that reservations of credits are not transferable without prior written approval by Virginia Housing at its sole discretion.

V. STATEMENT OF OWNER

- 10. that the requirements for applying for the credits and the terms of any reservation or allocation thereof are subject to change at any time by federal or state law, federal, state or Virginia Housing regulations, or other binding authority.
- 11. that reservations may be made subject to certain conditions to be satisfied prior to allocation and shall in all cases be contingent upon the receipt of a nonrefundable application fee of \$1000 and a nonrefundable reservation fee equal to 7% of the annual credit amount reserved.
- 12. that a true, exact, and complete copy of this application, including all the supporting documentation enclosed herewith, has been provided to the tax attorney who has provided the required attorney's opinion accompanying this submission.
- 13. that the undersigned has provided a complete list of all residential real estate developments in which the general partner(s) has (have) or had a controlling ownership interest and, in the case of those projects allocated credits under Section 42 of the IRC, complete information on the status of compliance with Section 42 and an explanation of any noncompliance. The undersigned hereby authorizes the Housing Credit Agencies of states in which these projects are located to share compliance information with the Authority.
- 14. that any principal of undersigned has not participated in a planned foreclosure or Qualified Contract request in Virginia after January 1, 2019.
- 15. that undersigned waives the right to pursue a Qualified Contract on this development.
- 16. that the information in this application may be disseminated to others for purposes of verification or other purposes consistent with the Virginia Freedom of Information Act. However, all information will be maintained, used or disseminated in accordance with the Government Data Collection and Dissemination Practices Act. The undersigned may refuse to supply the information requested, however, such refusal will result in Virginia Housing's inability to process the application. The original or copy of this application may be retained by Virginia Housing, even if tax credits are not allocated to the undersigned.

In Witness Whereof, the undersigned, being authorized, has caused this document to be executed in its name on the date of this application set forth in DEV Info tab hereof.

Legal Name of Owner: Shockoe I Apartments VA LP
 By: Shockoe I Apartments GP LLC its GP

By: 
 Its: Manager
 (Title)

V. STATEMENT OF ARCHITECT

The architect signing this document is certifying that the development plans and specifications incorporate all Virginia Housing Minimum Design and Construction Requirements (MDCR), selected LIHTC enhancements and amenities, applicable building codes and accessibility requirements.

In Witness Whereof, the undersigned, being authorized, has caused this document to be executed in its name on the date of this application set forth in DEV Info tab hereof.

Legal Name of Architect:	Bruce Hillary Zavos
Virginia License#:	4418
Architecture Firm or Company:	Zavos Architecture+Design, LLC

By: Bruce Zavos

Its: President
(Title)

Initials by Architect are also required on the following Tabs: Enhancement, Special Housing Needs and Unit Details.

W.

LIHTC SELF SCORE SHEET

Self Scoring Process

This Self Scoring Process is intended to provide you with an estimate of your application's score based on the information included within the reservation application. Other items, denoted below in the yellow shaded cells, are typically evaluated by Virginia Housing's staff during the application review and feasibility process. For purposes of self scoring, we have made certain assumptions about your application. Edit the appropriate responses (Y or N) in the yellow shaded cells, if applicable. Item 5f requires a numeric value to be entered.

Please remember that this score is only an estimate. Virginia Housing reserves the right to change application data and/or score sheet responses where appropriate, which may change the final score.

MANDATORY ITEMS:

- a. Signed, completed application with attached tabs in PDF format
- b. Active Excel copy of application
- c. Partnership agreement
- d. SCC Certification
- e. Previous participation form
- f. Site control document
- g. RESNET Certification
- h. Attorney's opinion
- i. Nonprofit questionnaire (if applicable)
- j. Appraisal
- k. Zoning document
- l. Universal Design Plans
- m. List of LIHTC Developments (Schedule A)

	Included		<u>Score</u>
	Y	Y or N	0
	Y	Y or N	0
	Y	Y or N	0
	Y	Y or N	0
	Y	Y or N	0
	Y	Y or N	0
	Y	Y or N	0
	Y	Y or N	0
	Y	Y, N, N/A	0
	Y	Y or N	0
	Y	Y or N	0
	Y	Y or N	0
	Y	Y or N	0
Total:			<u><u>0.00</u></u>

1. READINESS:

- a. Virginia Housing notification letter to CEO (via Locality Notification Information App)
- b. Local CEO Opposition Letter
- c. Plan of development
- d. Location in a revitalization area based on Qualified Census Tract
- e. Location in a revitalization area with resolution
- f. Location in a Opportunity Zone

	Y	0 or -50	0.00
	N	0 or -25	0.00
	N	0 or 40	0.00
	Y	0 or 10	10.00
	N	0 or 15	0.00
	N	0 or 15	0.00
Total:			<u><u>10.00</u></u>

2. HOUSING NEEDS CHARACTERISTICS:

- a. Sec 8 or PHA waiting list preference
- b. Existing RD, HUD Section 8 or 236 program
- c. Subsidized funding commitments
- d. Tax abatement on increase of property's value
- e. New project based rental subsidy (HUD or RD)
- f. Census tract with <12% poverty rate
- g. Development listed on the Rural Development Rehab Priority List
- h. Dev. located in area with little or no increase in rent burdened population
- i. Dev. located in area with increasing rent burdened population

	N	0 or up to 5	0.00
	N	0 or 20	0.00
	0.00%	Up to 40	0.00
	N	0 or 5	0.00
	N	0 or 10	0.00
	0%	0, 20, 25 or 30	0.00
	N	0 or 15	0.00
	N	Up to -20	0.00
	N	Up to 20	0.00
Total:			<u><u>0.00</u></u>

3. DEVELOPMENT CHARACTERISTICS:

a. Enhancements (See calculations below)			49.00
b. Project subsidies/HUD 504 accessibility for 5 or 10% of units	Y	0 or 60	60.00
or c. HCV Payment Standard/HUD 504 accessibility for 5 or 10% of units	N	0 or 30	0.00
or d. HUD 504 accessibility for 5% of units	N	0 or 15	0.00
e. Proximity to public transportation (within Northern VA or Tidewater)	Y10	0, 10 or 20	10.00
f. Development will be Green Certified	N	0 or 10	0.00
g. Units constructed to meet Virginia Housing's Universal Design standards	0%	Up to 15	0.00
h. Developments with less than 100 units	N	up to 20	0.00
i. Historic Structure	Y	0 or 5	5.00
Total:			<u>124.00</u>

4. TENANT POPULATION CHARACTERISTICS:

Locality AMI	State AMI
\$89,400	\$62,300

a. Less than or equal to 20% of units having 1 or less bedrooms	N	0 or 15	0.00
b. <plus> Percent of Low Income units with 3 or more bedrooms	0.00%	Up to 15	0.00
c. Units with rent at or below 30% of AMI and are not subsidized (up to 10% of LI units)	0.00%	Up to 10	0.00
d. Units with rents at or below 40% of AMI (up to 10% of LI units)	0.00%	Up to 10	0.00
e. Units with rent and income at or below 50% of AMI	100.00%	Up to 50	50.00
f. Units with rents at or below 50% rented to tenants at or below 60% of AMI	100.00%	Up to 25	0.00
or g. Units in LI Jurisdictions with rents <= 50% rented to tenants with <= 60% of AMI	100.00%	Up to 50	0.00
Total:			<u>50.00</u>

5. SPONSOR CHARACTERISTICS:

a. Developer experience - 3 developments with 3 x units or 6 developments with 1 x units	Y	0 or 50	50.00
or b. Developer experience - 3 developments and at least 500,000 in liquid assets	N	0 or 50	0.00
or c. Developer experience - 1 development with 1 x units	N	0 or 10	0.00
d. Developer experience - life threatening hazard	N	0 or -50	0.00
e. Developer experience - noncompliance	N	0 or -15	0.00
f. Developer experience - did not build as represented	0	0 or -2x	0.00
g. Developer experience - failure to provide minimum building requirements	N	0 or -20	0.00
h. Developer experience - termination of credits by Virginia Housing	N	0 or -10	0.00
i. Developer experience - exceeds cost limits at certification	N	0 or -50	0.00
j. Management company rated unsatisfactory	N	0 or -25	0.00
Total:			<u>50.00</u>

6. EFFICIENT USE OF RESOURCES:

a. Credit per unit		Up to 200	97.18
b. Cost per unit		Up to 100	-18.02
Total:			<u>79.16</u>

7. BONUS POINTS:

a. Extended compliance	0 Years	40 or 50	0.00
or b. Nonprofit or LHA purchase option	Y	0 or 60	60.00
or c. Nonprofit or LHA Home Ownership option	N	0 or 5	0.00
d. Combined 9% and 4% Tax Exempt Bond Site Plan	N	Up to 45	0.00
e. RAD or PHA Conversion participation and competing in Local Housing Authority pool	N	0 or 10	0.00
Total:			<u>60.00</u>

425 Point Threshold - all 9% Tax Credits
 325 Point Threshold - Tax Exempt Bonds

TOTAL SCORE: **373.16**

Enhancements:

	Max Pts	Score
All units have:		
a. Community Room	5	5.00
b. Exterior walls constructed with brick and other low maintenance materials	25	25.00
c. Sub metered water expense	5	0.00
d. Watersense labeled faucets, toilets and showerheads	3	3.00
e. Infrastructure for high speed internet/broadband	1	0.00
f. Free WiFi Access in community room	4	4.00
g. Each unit provided free individual high speed internet access	6	0.00
h. Each unit provided free individual WiFi	8	8.00
i. Bath Fan - Delayed timer or continuous exhaust	3	0.00
j. Baths equipped with humidistat	3	0.00
k. Cooking Surfaces equipped with fire prevention features	4	0.00
l. Cooking surfaces equipped with fire suppression features	2	0.00
m. Rehab only: dedicated space to accept permanent dehumidification system	2	0.00
n. Provides Permanently installed dehumidification system	5	0.00
o. All interior doors within units are solid core	3	0.00
p. USB in kitchen, living room and all bedrooms	1	0.00
q. LED Kitchen Light Fixtures	2	2.00
r. Shelf or Ledge at entrance within interior hallway	2	0.00
s. New Construction: Balcony or patio	4	0.00
		<u>47.00</u>
All elderly units have:		
t. Front-control ranges	1	1.00
u. Independent/suppl. heat source	1	0.00
v. Two eye viewers	1	1.00
		<u>2.00</u>
Total amenities:		<u>49.00</u>

X. Development Summary

Summary Information **2021 Low-Income Housing Tax Credit Application For Reservation**

Deal Name: Shockoe Hill Apartments

Cycle Type: 4% Tax Exempt Bonds Credits **Requested Credit Amount:** \$812,949
Allocation Type: Acquisition/Rehab **Jurisdiction:** Richmond City
Total Units: 125 **Population Target:** Elderly
Total LI Units: 125
Project Gross Sq Ft: 91,349.00 **Owner Contact:** Moshe Eichler
Green Certified? FALSE

Total Score 373.16

Source of Funds	Amount	Per Unit	Per Sq Ft	Annual Debt Service
Permanent Financing	\$14,031,515	\$112,252	\$154	\$547,581

Uses of Funds - Actual Costs				
Type of Uses	Amount	Per Unit	Sq Ft	% of TDC
Improvements	\$10,526,316	\$84,211	\$115	40.46%
General Req/Overhead/Profit	\$1,473,684	\$11,789	\$16	5.66%
Other Contract Costs	\$139,230	\$1,114	\$2	0.54%
Owner Costs	\$3,268,345	\$26,147	\$36	12.56%
Acquisition	\$8,310,000	\$66,480	\$91	31.94%
Developer Fee	\$2,300,000	\$18,400	\$25	8.84%
Total Uses	\$26,017,575	\$208,141		

Total Development Costs	
Total Improvements	\$15,407,575
Land Acquisition	\$8,310,000
Developer Fee	\$2,300,000
Total Development Costs	\$26,017,575

Income		
Gross Potential Income - LI Units		\$1,552,164
Gross Potential Income - Mkt Units		\$0
Subtotal	\$1,552,164	
Less Vacancy %	5.00%	\$77,608
Effective Gross Income		\$1,474,556

Proposed Cost Limit/Sq Ft: \$194
Applicable Cost Limit/Sq Ft: \$197

Unit Breakdown	
Supp Hsg	0
# of Eff	41
# of 1BR	84
# of 2BR	0
# of 3BR	0
# of 4+ BR	0
Total Units	125

Rental Assistance? TRUE

Expenses		
Category	Total	Per Unit
Administrative	\$193,158	\$1,545
Utilities	\$170,000	\$1,360
Operating & Maintenance	\$276,000	\$2,208
Taxes & Insurance	\$150,400	\$1,203
Total Operating Expenses	\$789,558	\$6,316
Replacement Reserves	\$50,000	\$400
Total Expenses	\$839,558	\$6,716

	Income Levels	Rent Levels
	# of Units	# of Units
<=30% AMI	0	0
40% AMI	0	0
50% AMI	125	125
60% AMI	0	0
>60% AMI	0	0
Market	0	0

Cash Flow	
EGI	\$1,474,556
Total Expenses	\$839,558
Net Income	\$634,998
Debt Service	\$547,581
Debt Coverage Ratio (YR1):	1.16

Income Averaging? FALSE

Extended Use Restriction? 30

2021 Low-Income Housing Tax Credit Application For Reservation

Virginia Housing is running a BETA test of new EUR calculations that will be considered for implementation in 2022. These points are only a test and will not be used for scoring purposes in 2021. Please contact taxcreditapps@virginiahousing.com with questions or comments.

Credit Points:

If the Combined Max Allowable is \$500,000 and the annual credit requested is \$200,000, you are providing a 60% savings for the program. This deal would receive all 200 credit points.

For another example, the annual credit requested is \$300,000 or a 40% savings for the program. Using a sliding scale, the credit points would be calculated by the difference between your savings and the desired 60% savings. Your savings divided by the goal of 60% times the max points of 200. In this example, $(40\%/60\%) \times 200$ or 133.33 points.

Using Current E-U-R method (up to 200)		97.18
Using proposed method:		
Combined Max	\$1,132,303	
Credit Requested	\$812,949	
% of Savings	28.20%	
Sliding Scale Points		94
<i>Difference</i>		-3.18

Cost Points:

If the Applicable Cost by Square foot is \$238 and the deal's Proposed Cost by Square Foot was \$119, you are saving 50% of the applicable cost. This deal would receive all 100 credit points.

For another example, the Applicable Cost by SqFt is \$238 and the deal's Proposed Cost is \$153.04 or a savings of 35.70%. Using a sliding scale, your points would be calculated by the difference between your savings and the desired 50% savings. Your savings divided by the goal of 50% times the max points 100. In this example, $(35.7\%/50\%) \times 100$ or 71.40 points.

Using Current E-U-R method (up to 100)		-18.02
Using proposed method:		
Total Costs Less Acquisition	\$17,707,575	
Total Square Feet	91,349.00	
Proposed Cost per SqFt	\$193.85	
Applicable Cost Limit per Sq Ft	\$197.00	
% of Savings	1.60%	
Sliding Scale Points		3.20
<i>Difference</i>		21.22

2021 Low-Income Housing Tax Credit Application For Reservation

v.2021.1

\$/SF = **\$277.31** Credits/SF = **10.163609** Const \$/unit = **\$97,113.8400**

TYPE OF PROJECT: GENERAL = 11000; ELDERLY = 12000
 LOCATION: Inner-NVA=100; Outer-NV=200; NWNC=300; Rich=400; Tid=500; Balance=600
 TYPE OF CONSTRUCTION: N C=1; ADPT=2; REHAB(35,000+)=3; REHAB*(15,000-35,000)=4

12000
400
3

In
 Nova
400
3

*REHABS LOCATED IN BELTWAY (\$15,000-\$50,000) See Below

	GENERAL		Elderly				
	Supportive Hsg	EFF-E	1 BR-E	2 BR-E	EFF-E-1 ST	1 BR-E-1 ST	2 BR-E-1 ST
AVG UNIT SIZE	0.00	606.29	656.29	0.00	0.00	0.00	0.00
NUMBER OF UNITS	0	41	84	0	0	0	0
PARAMETER -(COSTS=>35,000)	0	120,750	169,050	0	0	0	0
PARAMETER -(COSTS<35,000)	0	0	0	0	0	0	0
PARAMETER -(COSTS=>50,000)	0	120,750	169,050	0	0	0	0
PARAMETER -(COSTS<50,000)	0	0	0	0	0	0	0
COST PARAMETER	0	120,750	169,050	0	0	0	0
PROJECT COST PER UNIT	0	168,129	181,994	0	0	0	0
PARAMETER -(CREDITS=>35,000)	0	10,350	14,059	0	0	0	0
PARAMETER -(CREDITS<35,000)	0	0	0	0	0	0	0
PARAMETER -(CREDITS=>50,000)	0	10,350	14,059	0	0	0	0
PARAMETER -(CREDITS<50,000)	0	0	0	0	0	0	0
CREDIT PARAMETER	0	10,350	14,059	0	0	0	0
PROJECT CREDIT PER UNIT	0	6,162	6,670	0	0	0	0
COST PER UNIT POINTS	0.00	-12.87	-5.15	0.00	0.00	0.00	0.00
CREDIT PER UNIT POINTS	0.00	26.54	70.63	0.00	0.00	0.00	0.00

	GENERAL							
	EFF-G	1 BR-G	2 BR-G	3 BR-G	4 BR-G	2 BR-TH	3 BR-TH	4 BR-TH
AVG UNIT SIZE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
NUMBER OF UNITS	0	0	0	0	0	0	0	0
PARAMETER -(COSTS=>35,000)	0	0	0	0	0	0	0	0
PARAMETER -(COSTS<35,000)	0	0	0	0	0	0	0	0
PARAMETER -(COSTS=>50,000)	0	0	0	0	0	0	0	0
PARAMETER -(COSTS<50,000)	0	0	0	0	0	0	0	0
COST PARAMETER	0	0	0	0	0	0	0	0
PROJECT COST PER UNIT	0	0	0	0	0	0	0	0
PARAMETER -(CREDITS=>35,000)	0	0	0	0	0	0	0	0
PARAMETER -(CREDITS<35,000)	0	0	0	0	0	0	0	0
PARAMETER -(CREDITS=>50,000)	0	0	0	0	0	0	0	0
PARAMETER -(CREDITS<50,000)	0	0	0	0	0	0	0	0
CREDIT PARAMETER	0	0	0	0	0	0	0	0
PROJECT CREDIT PER UNIT	0	0	0	0	0	0	0	0
COST PER UNIT POINTS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CREDIT PER UNIT POINTS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

TOTAL COST PER UNIT POINTS **-18.02**

TOTAL CREDIT PER UNIT POINTS **97.18**

Cost Parameters - Elderly						
Supportive Hsg	EFF-E	1 BR-E	2 BR-E	EFF-E-1 ST	1 BR-E-1 ST	2 BR-E-1 ST
Standard Cost Parameter - low rise	0	120,750	169,050	0	0	0
Parameter Adjustment - mid rise	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0
Adjusted Cost Parameter	0	120,750	169,050	0	0	0

Credit Parameters - Elderly						
Supportive Hsg	EFF-E	1 BR-E	2 BR-E	EFF-E-1 ST	1 BR-E-1 ST	2 BR-E-1 ST
Standard Credit Parameter - low rise	0	10,350	14,059	0	0	0
Parameter Adjustment - mid rise	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0
Adjusted Credit Parameter	0	10,350	14,059	0	0	0

Cost Parameters - General							
EFF-G	1 BR-G	2 BR-G	3 BR-G	4 BR-G	2 BR-TH	3 BR-TH	4 BR-TH
Standard Parameter - low rise	0	0	0	0	0	0	0
Parameter Adjustment - mid rise	0	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0	0
Adjusted Cost Parameter	0	0	0	0	0	0	0

Credit Parameters - General							
EFF-G	1 BR-G	2 BR-G	3 BR-G	4 BR-G	2 BR-TH	3 BR-TH	4 BR-TH
Standard Credit Parameter - low rise	0	0	0	0	0	0	0
Parameter Adjustment - mid rise	0	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0	0
Adjusted Credit Parameter	0	0	0	0	0	0	0

Northern Virginia Beltway (Rehab costs \$15,000-\$50,000)

Cost Parameters - Elderly						
Supportive Hsg	EFF-E	1 BR-E	2 BR-E	EFF-E-1 ST	1 BR-E-1 ST	2 BR-E-1 ST
Standard Cost Parameter - low rise	0	120,750	169,050	0	0	0
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Parameter Adjustment - high rise	0	0	0	0	0	0
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Credit Parameters - Elderly						
Supportive Hsg	EFF-E	1 BR-E	2 BR-E	EFF-E-1 ST	1 BR-E-1 ST	2 BR-E-1 ST
Standard Cost Parameter - low rise	0	10,350	14,059	0	0	0
Parameter Adjustment - mid rise	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0
Adjusted Cost Parameter	0	10,350	14,059	0	0	0

Cost Parameters - General							
EFF-G	1 BR-G	2 BR-G	3 BR-G	4 BR-G	2 BR-TH	3 BR-TH	4 BR-TH
Standard Cost Parameter - low rise	0	0	0	0	0	0	0
Parameter Adjustment - mid rise	0	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0	0
Adjusted Cost Parameter	0	0	0	0	0	0	0

Credit Parameters - General							
EFF-G	1 BR-G	2 BR-G	3 BR-G	4 BR-G	2 BR-TH	3 BR-TH	4 BR-TH
Standard Cost Parameter - low rise	0	0	0	0	0	0	0
Parameter Adjustment - mid rise	0	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0	0
Adjusted Cost Parameter	0	0	0	0	0	0	0

2021 Low-Income Housing Tax Credit Application For Reservation

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\$/SF = **\$277.31** Credits/SF = **10.163609** Const \$/unit = **\$97,113.84**

TYPE OF PROJECT: GENERAL = 11000; ELDERLY = 12000
 LOCATION: Inner-NVA=100; Outer-NV=200; NWN=300; Rich=400; Tid=500; Balance=600
 TYPE OF CONSTRUCTION: N C=1; ADPT=2; REHAB(35,000+)=3; REHAB*(10,000-35,000)=4

12000
400
3

400
3

*REHABS LOCATED IN BELTWAY (\$10,000-\$50,000) See Below

	Elderly						
	GENERAL Supportive Hsg	EFF-E	1 BR-E	2 BR-E	EFF-E-1 ST	1 BR-E-1 ST	2 BR-E-1 ST
AVG UNIT SIZE	0.00	606.29	656.29	0.00	0.00	0.00	0.00
NUMBER OF UNITS	0	41	84	0	0	0	0
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COST PER UNIT POINTS	0.00	-12.87	-5.15	0.00	0.00	0.00	0.00
CREDIT PER UNIT POINTS	0.00	26.54	70.63	0.00	0.00	0.00	0.00

	GENERAL							
	EFF-G	1 BR-G	2 BR-G	3 BR-G	4 BR-G	2 BR-TH	3 BR-TH	4 BR-TH
AVG UNIT SIZE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
NUMBER OF UNITS	0	0	0	0	0	0	0	0
PARAMETER -(COSTS=>35,000)	0	0	0	0	0	0	0	0
PARAMETER -(COSTS<35,000)	0	0	0	0	0	0	0	0
PARAMETER -(COSTS=>50,000)	0	0	0	0	0	0	0	0
PARAMETER -(COSTS<50,000)	0	0	0	0	0	0	0	0
COST PARAMETER	0	0	0	0	0	0	0	0
PROJECT COST PER UNIT	0	0	0	0	0	0	0	0
PARAMETER -(CREDITS=>35,000)	0	0	0	0	0	0	0	0
PARAMETER -(CREDITS<35,000)	0	0	0	0	0	0	0	0
PARAMETER -(CREDITS=>50,000)	0	0	0	0	0	0	0	0
PARAMETER -(CREDITS<50,000)	0	0	0	0	0	0	0	0
CREDIT PARAMETER	0	0	0	0	0	0	0	0
PROJECT CREDIT PER UNIT	0	0	0	0	0	0	0	0
COST PER UNIT POINTS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CREDIT PER UNIT POINTS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

TOTAL COST PER UNIT POINTS **-18.02**

TOTAL CREDIT PER UNIT POINTS **97.18**

Cost Parameters - Elderly						
Supportive Hsg	EFF-E	1 BR-E	2 BR-E	EFF-E-1 ST	1 BR-E-1 ST	2 BR-E-1 ST
Standard Cost Parameter - low rise	0	120,750	169,050	0	0	0
Parameter Adjustment - mid rise	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0
Adjusted Cost Parameter	0	120,750	169,050	0	0	0

Credit Parameters - Elderly						
Supportive Hsg	EFF-E	1 BR-E	2 BR-E	EFF-E-1 ST	1 BR-E-1 ST	2 BR-E-1 ST
Standard Credit Parameter - low rise	0	10,350	14,059	0	0	0
Parameter Adjustment - mid rise	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0
Adjusted Credit Parameter	0	10,350	14,059	0	0	0

Cost Parameters - General							
EFF-G	1 BR-G	2 BR-G	3 BR-G	4 BR-G	2 BR-TH	3 BR-TH	4 BR-TH
Standard Parameter - low rise	0	0	0	0	0	0	0
Parameter Adjustment - mid rise	0	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0	0
Adjusted Cost Parameter	0	0	0	0	0	0	0

Credit Parameters - General							
EFF-G	1 BR-G	2 BR-G	3 BR-G	4 BR-G	2 BR-TH	3 BR-TH	4 BR-TH
Standard Credit Parameter - low rise	0	0	0	0	0	0	0
Parameter Adjustment - mid rise	0	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0	0
Adjusted Credit Parameter	0	0	0	0	0	0	0

Northern Virginia Beltway (Rehab costs \$10,000-\$50,000)

Cost Parameters - Elderly						
Supportive Hsg	EFF-E	1 BR-E	2 BR-E	EFF-E-1 ST	1 BR-E-1 ST	2 BR-E-1 ST
Standard Cost Parameter - low rise	0	120,750	169,050	0	0	0
Parameter Adjustment - mid rise	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0
Adjusted Cost Parameter	0	120,750	169,050	0	0	0

Credit Parameters - Elderly						
Supportive Hsg	EFF-E	1 BR-E	2 BR-E	EFF-E-1 ST	1 BR-E-1 ST	2 BR-E-1 ST
Standard Cost Parameter - low rise	0	10,350	14,059	0	0	0
Parameter Adjustment - mid rise	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0
Adjusted Cost Parameter	0	10,350	14,059	0	0	0

Cost Parameters - General							
EFF-G	1 BR-G	2 BR-G	3 BR-G	4 BR-G	2 BR-TH	3 BR-TH	4 BR-TH
Standard Cost Parameter - low rise	0	0	0	0	0	0	0
Parameter Adjustment - mid rise	0	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0	0
Adjusted Cost Parameter	0	0	0	0	0	0	0

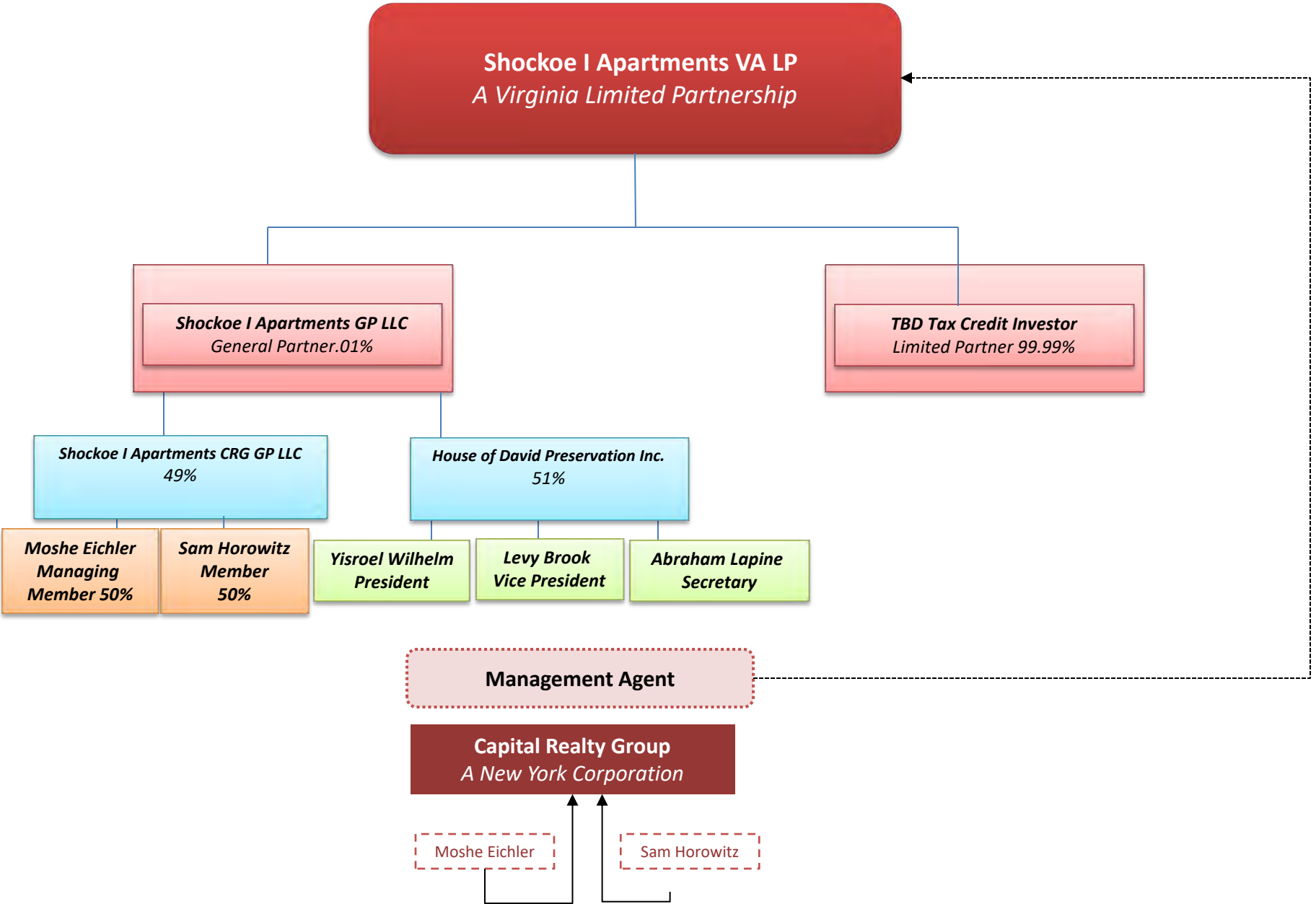
Credit Parameters - General							
EFF-G	1 BR-G	2 BR-G	3 BR-G	4 BR-G	2 BR-TH	3 BR-TH	4 BR-TH
Standard Cost Parameter - low rise	0	0	0	0	0	0	0
Parameter Adjustment - mid rise	0	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0	0
Adjusted Cost Parameter	0	0	0	0	0	0	0

A

Partnership or Operating Agreement

Including **chart of ownership structure with percentage of interests** and **draft developer fee agreement**
(MANDATORY)

Shockoe Hill I Organizational Chart



SHOCKOE I APARTMENTS VA LP
AGREEMENT OF LIMITED PARTNERSHIP

dated as of

September 21, **2018**

**AGREEMENT OF LIMITED PARTNERSHIP
OF
SHOCKOE I APARTMENTS VA LP**

(a Virginia limited partnership)

This AGREEMENT OF LIMITED PARTNERSHIP OF SHOCKOE I APARTMENTS VA LP is made as of the 21 day of September, 2018, by and among SHOCKOE I APARTMENTS GP LLC, a Virginia limited liability company (the “General Partner”), as general partner and the Party(ies) whose name(s) are set forth on Schedule A, attached hereto and incorporated by reference herein, as limited partner(s) (whether one or more than one, the “Limited Partners”), pursuant to the provisions of the Virginia Revised Uniform Limited Partnership Act, as codified at Virginia Code Title 50, Chapter 2.1 (the “Act”), on the following terms and conditions:

1. THE PARTNERSHIP

a. Formation. The Partners hereby agree to form the Partnership as a limited partnership pursuant to the provisions of the Act and upon the terms and conditions set forth in this Agreement.

b. Name. The name of the Partnership shall be “Shockoe I Apartments VA LP” or such other name as the General Partner may hereafter designate in writing to the Limited Partners.

c. Purpose; Character of Partnership Business. The purpose of the Partnership is to foster low income housing and specifically, to redevelop, own and operate the Project and to take advantage of financing and investment funds which may be made available for the development of such Project as affordable and other residential property. In furtherance of this purpose, the Partnership may acquire, hold, maintain, develop, own, operate, improve, lease, manage, sell, finance or transfer the Project, or portions thereof; and to engage in any other activities deemed by the General Partner in its sole discretion to be incidental or related thereto.

d. Principal Place of Business. The principal place of business of the Partnership shall be maintained at 86 Route 59 East, Spring Valley, NY 10977. The General Partner may from time to time change such office and the principal place of business and in such event the General Partner shall notify the Limited Partners prior to the effective date of such change.

e. Term. The term of the Partnership commenced on the date that the certificate of limited partnership (the “Certificate”) of the Partnership was filed with the State Corporation Commission of the Commonwealth of Virginia, in accordance with the Act and shall continue until the winding up and liquidation of the Partnership; provided, that the term of the

Partnership shall not end any earlier than the maturity date of the HUD-insured Loan (as hereinafter defined) plus ten (10) years.

f. Filings.

- i. The General Partner has caused the Certificate to be filed in the appropriate offices of the Commonwealth of Virginia in accordance with the provisions of the Act. The General Partner shall take any and all other actions reasonably necessary to perfect and maintain the status of the Partnership as a limited partnership under the laws of the Commonwealth of Virginia or similar type of entity under the laws of any other states or jurisdictions in which the Partnership may engage in business. The General Partner shall cause amendments to the Certificate to be filed whenever required by the Act. Such amendments may be executed by the General Partner or by any person designated in the amendment as a new General Partner.
- ii. Upon dissolution, the General Partner shall promptly execute and cause to be filed a certificate of dissolution in accordance with the Act and the laws of any other states or jurisdictions in which the Partnership engages in business.

2. DEFINITIONS

As used in this Agreement, the following terms shall have the following meanings:

- a. Agreement or Partnership Agreement means this Agreement of Limited Partnership, as amended from time to time.
- b. Capital Account means the bookkeeping account maintained for each Partner in accordance with Treasury Regulations issued under Section 704(b) of the Code.
- c. Capital Contribution means, with respect to any Partner, the amount of money and the initial Gross Asset Value of any property (other than money) contributed to the Partnership by such Partner or attributable to a Partnership Interest transferred to such Partner (whether or not for consideration).
- d. Code means the Internal Revenue Code of 1986, as amended from time to time (or any corresponding provisions of succeeding law).
- e. Depreciation means, for each Fiscal Year or other period, an amount equal to the depreciation, amortization, or other cost recovery deduction allowable for federal income tax purposes with respect to an

asset for such Fiscal Year or other period, except that if the Gross Asset Value of an asset differs from its adjusted basis for federal income tax purposes at the beginning of such Fiscal Year or other period, Depreciation shall be an amount which bears the same ratio to such beginning Gross Asset Value as the federal income tax depreciation, amortization, or other cost recovery deduction for such Fiscal Year or other period bears to such beginning adjusted tax basis. In the event that the federal income tax depreciation, amortization, or other cost recovery deduction is zero, Depreciation shall be determined with reference to such beginning Gross Asset Value using any reasonable method.

f. Fiscal Year means the twelve-month period ending December 31 in each year.

g. General Partner means any Person who (i) is referred to as general partner of the Partnership in the preamble of this Agreement or has become a general partner of the Partnership pursuant to the terms of this Agreement, and (ii) has not ceased to be a general partner of the Partnership pursuant to the terms of this Agreement.

h. Interest means, with respect to any Partner, such Partner's Interest in the capital of the Partnership, and Percentage Interest means such Interest expressed as a percentage of all Partners' Interests in the capital of the Partnership. Each Partner's initial Percentage Interest shall be as reflected on Schedule A attached hereto.

i. Limited Partner means any Person whose name is set forth on Schedule A hereto as a limited partner or any Person who has been admitted to the Partnership as an additional or substitute limited partner pursuant to the terms of this Agreement.

j. Net Cash Flow means, for each Fiscal Year, the Partnership's Profits (for this purpose any Losses shall be treated as negative Profits), adjusted as follows:

- i. Increased by the following:
 - (a) Any receipts which are not included in the computation of Profits (such as capital contributions, loan proceeds, and withdrawals from reserves).
 - (b) Any deductions not involving cash expenditures (such as depreciation, amortization and other cost recovery deductions).
- ii. Decreased by the following:

- (a) All expenditures which are not deducted in determining Profits (such as expenditures for capital improvements, asset acquisitions, and loan repayments).
- (b) Contributions to any reserve established by the General Partner (the amount of which shall be in the sole discretion of the General Partner) for anticipated working capital needs, improvements, reinvestments or any other purposes the General Partner may determine is necessary or appropriate for the operation of the Partnership.

k. Partner means any General Partner or any Limited Partner, where no distinction is required by the context in which the term is used herein.

l. Partnership means the partnership continued pursuant to this Agreement and the partnership continuing the business of this Partnership in the event of dissolution as herein provided.

m. Partnership Property means all real and personal property acquired by the Partnership and any improvements thereto, and shall include both tangible and intangible property.

n. Person means any individual, partnership, corporation, trust, or other entity.

o. Project means that certain multifamily apartment project commonly known as Shockoe Hill I Apartments located in Richmond, Virginia.

p. Profits and Losses means, for each fiscal year or other period, an amount equal to the Partnership's taxable income or loss for such year or period, determined in accordance with Section 703(a) of the Code (for this purpose, all items of income, gain, loss, or deduction required to be stated separately pursuant to Section 703(a)(1) of the Code shall be included in taxable income or loss), with the following adjustments:

- i. Income of the Partnership that is exempt from federal income tax and not otherwise taken into account in computing Profits or Losses shall be added to such taxable income or loss.
- ii. Expenditures of the Partnership described in Section 705(a)(2)(b) of the Code or treated as such expenditures pursuant to Treasury Regulation §1.704-1(b)(2)(iv)(i), and not otherwise taken into account in

computing Profits or Losses shall be subtracted from such taxable income or loss.

iii. In lieu of the depreciation, amortization, and other cost recovery deductions taken into account in computing taxable income or loss, there shall be taken into account Depreciation for such fiscal year or other period.

q. Transfer means to sell, assign, transfer, gift, donate, pledge, bequeath, devise or otherwise dispose of or encumber to any Person other than the Partnership.

r. Treasury Regulations means the regulations promulgated under the Code, as such regulations may be amended from time to time (including temporary regulations and corresponding provisions of succeeding regulations).

s. Unanimous Consent means, with respect to any action to be taken by a Partner or the Partnership for which the consent of one or more of the Partners is required, the consent of all of the Partners of the Partnership.

3. CAPITAL CONTRIBUTIONS

a. Contributions of Partners. Simultaneous with the execution hereof, each Partner shall make an initial contribution to the capital of the Partnership of cash or property in the amount and kind set forth next to that Partner's respective name on Schedule A attached hereto. The Partners shall not be required to make any additional capital contributions or advance any funds to the Partnership, except as expressly provided herein.

b. Limited Liability of Limited Partners. No Limited Partner shall be liable for the debts, liabilities, contracts, or any other obligations of the Partnership. Except as otherwise provided by applicable state law, a Limited Partner shall be liable only to make his Capital Contributions and shall not be required to lend any funds to the Partnership or, after his Capital Contributions have been paid, to make any additional Capital Contributions to the Partnership.

4. CAPITAL ACCOUNTS

Maintenance of Capital Accounts. The Partnership shall maintain a Capital Account for each Partner in accordance with Treasury Regulations issued under Section 704(b) of the Code.

5. ALLOCATIONS

Profits and Losses. Profits and losses of the Partnership shall be distributed in accordance with the Partners' Percentage Interest.

6. DISTRIBUTIONS

a. Net Cash Flow. Except as otherwise provided in Section 6 hereof, Net Cash Flow, if any, shall be distributed once annually, or at such time as the General Partner, in its sole discretion, shall determine and agree, in accordance with the Partners' Percentage Interests. Any distribution made pursuant to this Section 6 shall be to all Partners in accordance with each Partner's Percentage Interest as it exists on the date of such distribution.

b. Special Distribution of Project Proceeds. It is foreseen by the Partners that after payment of all costs of development for the Project, including, without limitation, fees to third-party vendors and consultants, a portion of the funds from financing sources utilized by the Partnership for development may remain unexpended. The Partners agree that such funds should be distributed to the General Partner, as compensation for their development services.

c. Distributions Upon Liquidation. Notwithstanding Section 6.a hereof, if all or substantially all of the assets of the Partnership are sold in connection with a liquidation of the Partnership, or if the Partnership is otherwise liquidated, the assets of the Partnership shall be distributed in the following order and priority:

- i. First, to payment of the debts and liabilities of the Partnership (other than those to Partners) in the order of priority provided by law, provided that the General Partner shall first pay, to the extent permitted by law, liabilities with respect to which any Partner is or may be personally liable.
- ii. Second, to payment of the expenses of liquidation of the Partnership in the order of priority provided by law, provided that the General Partner shall first pay, to the extent permitted by law, liabilities or debts owed to Partners.
- iii. Third, to the setting up of such reserves as the General Partner may deem reasonably necessary for any contingent or unforeseen liabilities or obligations of the Partnership arising out of or in connection with its business, provided that any such reserve will be held by the General Partner for the purposes of disbursing such reserves in payment of any of the aforementioned contingencies and at the expiration of such period as the General Partner shall deem

advisable (but in no case to exceed eighteen (18) months from the date of liquidation unless an extension of time is approved by a Unanimous Consent of the Partners), to distribute the balance thereafter remaining in the manner hereinafter provided.

- iv. The balance of the proceeds, if any, to be distributed on or before the later of (i) the end of the taxable year during which such liquidation occurs or (ii) ninety (90) days after the date of such liquidation, in accordance with the positive Capital Account balances of the Partners, as determined after taking into account all Capital Account adjustments required by Treasury Regulation §1.704-1(b) for the taxable year of the Partnership in which such liquidation occurs.

7. MANAGEMENT

a. Authority of the General Partner. Subject to the limitations and restrictions set forth below and otherwise in this Agreement, the General Partner shall have the exclusive right to manage and control the day-to-day operations, business and investments, and affairs of the Partnership, and shall have all of the rights and powers which may be possessed by a general partner under the Act, including, without limitation, the following rights and powers:

- i. To make final investment decisions of the Partnership;
- ii. To sell, finance or refinance the assets of the Partnership in pursuit of the Partnership's purpose as set forth in Section 1 of this Agreement and to exercise any rights or powers possessed by the General Partner thereunder;
- iii. To purchase, hold for investment and dispose of, securities and to enter into agreements with other parties with respect to any investment activities, which agreements may contain such terms, conditions and provisions as the General Partner shall approve;
- iv. To purchase from or through others contracts of liability, casualty and other insurance which the General Partner deems advisable, appropriate or convenient for the protection of the investments or other assets or affairs of the Partnership or for any purpose convenient or beneficial to the Partnership;
- v. To acquire by purchase, lease, or otherwise any real or personal property which may, in the sole discretion of the

General Partner, be necessary, convenient, or incidental to the accomplishment of the purposes of the Partnership;

- vi. To invest the funds of the Partnership in any medium or form of investment whatsoever;
- vii. To pay with Partnership funds any and all fees and expenses incurred in the organization of the Partnership;
- viii. To appoint, employ, or contract with any person, the General Partner may in its sole discretion deem necessary or desirable for the management of the Partnership, which persons may, under the supervision of the General Partner: administer the day-to-day operations of the Partnership; act as consultants, accountants, correspondents, attorneys, brokers, escrow agents, or in any other capacity deemed by the General Partner necessary or desirable; investigate, select and, on behalf of the Partnership, conduct relations with persons acting in such capacities and pay appropriate fees to, and enter into appropriate contracts with, or employ, or retain services performed or to be performed by any of the foregoing persons in connection with the investments acquired, sold, or otherwise disposed of; perform or assist in the performance of such administrative or managerial functions necessary in the management of the Partnership; and perform such other acts or services for the Partnership as the General Partner, in its sole and absolute discretion, may approve; and
- ix. To execute and deliver such agreements, contracts, documents and instruments with such parties and to give such receipts, releases and discharges with respect to all of the foregoing and any matters incident thereto as the General Partner may deem advisable, appropriate or convenient.

b. Right to Rely on General Partner. Any Person dealing with the Partnership may rely upon a certificate signed by the General Partner as to any of the following:

- i. The identity of any Partner.
- ii. The existence or nonexistence of any fact or facts which constitute a condition precedent to acts by a General Partner or which are in any manner germane to the affairs of the Partnership.

- iii. The Persons who are authorized to execute and deliver any instrument or document of the Partnership.
 - iv. Any act or failure to act by the Partnership or any other matter whatsoever involving the Partnership or any Partner.
- c. Restrictions on Authority of General Partner. Without a Unanimous Consent of the Partners, no General Partner may have the authority to:
- i. elect to dissolve the Partnership; or
 - ii. amend this Agreement in any manner other than as specifically permitted herein.
- d. Duties and Obligations of General Partner. The General Partner shall take all actions which may be necessary or appropriate (a) for the continuation of the Partnership's valid existence as a limited partnership under the laws of the Commonwealth of Virginia (and of each other jurisdiction in which such existence is necessary to protect the limited liability of the Limited Partners or to enable the Partnership to conduct the business in which it is engaged) and (b) for the acquisition, development, maintenance, preservation, and operation of Partnership Property in accordance with the provisions of this Agreement and applicable laws and regulations.
- e. Indemnification of General Partner. The Partnership, its receiver, or its trustee shall indemnify, save harmless, and pay all judgments and claims against any General Partner or any officers, members or directors of such General Partner relating to any liability or damage incurred by reason of any act performed or omitted to be performed by such General Partner, or officer or director of such General Partner in connection with the business of the Partnership, including attorney fees incurred by such General Partner, or officer or director of such General Partner in connection with the defense of any action based on any such act or omission, which attorney fees may be paid as incurred, including all such liabilities under federal and state securities laws (including the Securities Act of 1933, as amended) as permitted by law.

8. RIGHTS AND OBLIGATIONS OF LIMITED PARTNERS

- a. Voting Rights. Each Limited Partner shall have the right to vote on the matters explicitly set forth in this Agreement as requiring the vote or consent of Limited Partners.
- b. No Right to Participate in Business. Except as set forth in Section 8.a, no Limited Partner may participate in the management and

control of the business or affairs of the Partnership or to act to bind the Partnership in any way.

c. General Partner as Attorney-in-Fact. Each Limited Partner hereby makes, constitutes and appoints the General Partner, with full power of substitution and resubstitution, its true and lawful attorney-in-fact for it and in its name, place, and stead and for its use and benefit, to sign, execute, certify, acknowledge, swear to, file, and record (a) this Agreement and all agreements, certificates, instruments, and other documents amending or changing this Agreement as now or hereafter amended which the General Partner may deem necessary, desirable, or appropriate including, without limitation, amendments or changes to reflect (i) the exercise by the General Partner of any power granted to it under this Agreement; (ii) any amendments adopted by the Partners in accordance with the terms of this Agreement; (iii) the admission of any substituted Partner; and (iv) the disposition by any Partner of his Interest in the Partnership; and (b) any certificates, instruments, and documents as may be required by, or may be appropriate under, the laws of any state or jurisdiction in which the Partnership is doing or intends to do business. Each Limited Partner authorizes the General Partner as such attorney-in-fact to take any further action which such attorney-in-fact shall consider necessary or advisable in connection with any of the foregoing, hereby giving each such attorney-in-fact full power and authority to do and perform each and every act or thing whatsoever requisite or advisable to be done in connection with the foregoing as fully as such Limited Partner might or could do personally, and hereby ratifying and confirming all that any such attorney-in-fact shall lawfully do or cause to be done.

9. BOOKS OF ACCOUNT AND FINANCIAL REPORTS

a. Books of Account. At all times during the continuance of the Partnership, the General Partner shall keep or cause to be kept full and true books and records of account in which shall be entered fully and accurately the business transactions arising out of and in connection with the conduct of the Partnership.

b. Access by Limited Partner. The Limited Partner shall have access to the Partnership books and records of accounts during business hours.

10. TRANSFERABILITY OF PARTNERSHIP INTERESTS

a. Restrictions on Transfers. Except as otherwise permitted by this Agreement, no General Partner or Limited Partner shall Transfer all or any portion of their respective Interests.

b. Permitted Limited Partner Transfers. A Limited Partner may Transfer all or any portion of its Interests to (a) any other Limited Partner, or (b) a third party upon approval by the General Partner.

c. Permitted General Partner Transfers. A General Partner may Transfer all or any portion of his/her Interests to (a) any other General Partner, or (b) a third party upon obtaining a Unanimous Consent of the Partners.

11. DISSOLUTION AND WINDING UP

a. Dissolution. The Partnership shall be dissolved upon the first to occur of any of the following:

i. December 31, 2099.

ii. The sale of all or substantially all of the Partnership Property.

12. AMENDMENTS AND MEETINGS

a. Amendments. Amendments to this Agreement shall be adopted and be effective as an amendment hereto if it receives a Unanimous Consent of the Partners.

b. Notwithstanding. Notwithstanding Section 12.a hereof, this Agreement may be amended by the General Partner, without the consent of any of the Limited Partners: (a) to add to the representations, duties, or obligations of the General Partner or surrender any right or power granted to the General Partner herein for the benefit of the Limited Partners; and (b) to cure any ambiguity, to correct or supplement any provision hereof which may be inconsistent with any other provisions hereof, or to make any other provision with respect to matters or questions arising under this Agreement not inconsistent with the intent of this Agreement; provided, however, that no amendment shall be adopted pursuant to this Section unless the adoption thereof is for the benefit of or not adverse to the Interests of the Limited Partners.

13. MISCELLANEOUS

a. Binding Effect. Except as otherwise provided in this Agreement, every covenant, term, and provision of this Agreement shall be binding upon and inure to the benefit of the Partners and their respective heirs, legatees, legal representatives, successors, transferees, and assigns.

b. Construction. Every covenant, term, and provision of this Agreement shall be construed simply according to its fair meaning and not strictly for or against any Partner.

c. Headings. Section and other headings contained in this Agreement are for reference purposes only and are not intended to describe, interpret, define, or limit the scope, extent, or intent of this Agreement or any provision hereof.

d. Severability. Every provision of this Agreement is intended to be severable. If any term or provision hereof is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the validity or legality of the remainder of this Agreement.

e. Incorporation by Reference. Every exhibit, schedule, and other appendix attached to this Agreement and referred to herein is hereby incorporated in this Agreement by reference.

f. Variation of Pronouns. All pronouns and any variations thereof shall be deemed to refer to masculine, feminine, or neuter, singular or plural, as the identity of the Person or Persons may require.

g. Governing Law. The laws of the Commonwealth of Virginia shall govern the validity of this Agreement, the construction of its terms, and the interpretation of the rights and duties of the Partners.

h. Sole and Absolute Discretion. Except as otherwise provided in this Agreement, all actions which a General Partner may take and all determinations which General Partner may make pursuant to this Agreement may be taken and made at the sole and absolute discretion of such General Partner.

14. HUD REQUIREMENTS

Notwithstanding any clause or provision in this Agreement to the contrary and so long as the United States Department of Housing and Urban Development ("HUD") or a successor or assign of HUD is the insurer or holder of a loan to the Partnership (the "HUD-insured Loan") secured by the mortgage on the Project, the following provisions shall apply:

a. If any of the provisions of the organizational documents conflict with the terms of the HUD-insured Note, Security Instrument, or HUD Regulatory Agreement ("HUD Loan Documents"), the provisions of the HUD Loan Documents shall control.

b. No provision required by HUD to be inserted into the organizational documents may be amended without HUD's prior written approval. Additionally, if there is a conflict between any HUD-required provisions inserted into this Agreement and any other provision of this Agreement, the terms of the HUD-required provisions will govern; and if there is a conflict between any of the

provisions in the Certificate and any HUD-required provisions of this Agreement, the HUD-required provisions will govern.

c. Unless otherwise approved in writing by HUD, the Partnership's business and purpose shall consist solely of the acquisition, ownership, operation and maintenance of the Project, and activities incidental thereto. The Partnership shall not engage in any other business or activity. The Project shall be the sole asset of the Partnership, which shall not own any other real estate other than the aforesaid Project.

d. None of the following will have any force or effect without the prior written consent of HUD:

i. Any amendment that modifies the term of the Partnership's existence;

ii. Any amendment that triggers application of the HUD previous participation certification requirements (as set forth in Form HUD-2530, Previous Participation Certification, or 24 C.F.R. § 200.210, et seq.);

iii. Any amendment that in any way affects the HUD Loan Documents;

iv. Any amendment that would authorize any Partner, owner, officer or manager, other than the one previously authorized by HUD, to bind the Partnership for all matters concerning the Project which require HUD's consent or approval;

v. A change that is subject to the HUD TPA requirements contained in Chapter 13 of HUD Handbook 4350.1 REV-1; or

vi. Any change in a guarantor of any obligation to HUD (including those obligations arising from violations of the Regulatory Agreement).

e. The Partnership is authorized to execute a Note and Security Instrument in order to secure a loan to be insured by HUD and to execute the Regulatory Agreement and other documents required by the Secretary in connection with the HUD-insured Loan.

f. Any incoming Partner of the Partnership must, as a condition of receiving an interest in the Partnership, agree to be bound by the HUD Loan Documents and all other documents required in connection with the HUD-insured Loan to the same extent and on the same terms as the other Partners.

g. Upon any dissolution, no title or right to possession and control of the Project, and no right to collect the rents from the Project, shall pass to any person or entity that is not bound by the Regulatory Agreement in a manner satisfactory to HUD.

h. The key principals of the Partnership identified in the Regulatory Agreement are liable in their individual capacities to HUD to the extent set forth in the Regulatory Agreement.

i. The approved Partnership shall not voluntarily be dissolved or converted to another form of entity without the prior written approval of HUD.

j. The Partnership has designated Moshe Eichler as its official representative for all matters concerning the Project that require HUD consent or approval. The signature of this representative will bind the Partnership in all such matters. The Partnership may from time to time appoint a new representative to perform this function, but within three business days of doing so, will provide HUD with written notification of the name, address, and telephone number of its new representative. When a person other than the person identified above has full or partial authority with respect to management of the Project, the Partnership will promptly provide HUD with the name of that person and the nature of that person's management authority.

k. Notwithstanding any provision in this Agreement to the contrary, any obligation of the Partnership to provide indemnification under this Partnership Agreement shall be limited to (i) amounts mandated by state law, if any, (ii) coverage afforded under any liability insurance carried by the Partnership and (iii) available "surplus cash" of the Partnership as defined in the Regulatory Agreement. Until funds from a permitted source for payment of indemnification costs are available for payment, the Partnership shall not (a) pay funds to any members, partners, officers and directors, or (b) pay the deductible on an indemnification policy for any members, partners, officers and directors.

[Signatures appear on the following page]

SCHEDULE A
to
AGREEMENT OF LIMITED PARTNERSHIP
of
SHOCKOE I APARTMENTS VA LP
(a Virginia limited partnership)

	<u>Partner Name</u>	<u>Capital Contribution</u>	<u>Partnership Interest</u>
GENERAL PARTNER:	SHOCKOE I APARTMENTS GP LLC	\$1.00	00.01%
LIMITED PARTNER:	HOUSE OF DAVID PRESERVATION INC.,	\$100.00	99.99%

DEVELOPMENT AGREEMENT

THIS DEVELOPMENT AGREEMENT (this “Agreement”) is executed as of the ____ day of _____, 2021 by and between Shockoe I Apartments VA LP, a Virginia limited partnership (the “Partnership”), and CRG Developers LLC, a New York limited liability company (the “Developer”).

Recitals

1. The Partnership was formed to acquire, lease, redevelop, construct, own, operate, manage, and sell, or otherwise dispose of, a multi-family housing development located in Richmond, Virginia, known as “Shockoe Hill I Apartments” (the “Project”).
2. The Project, following the completion of construction, is expected to constitute a “qualified low-income housing project” (as defined in Section 42(g)(1) of the Internal Revenue Code of 1986, as amended (the “Code”).
3. The Developer has agreed to provide certain services with respect to the acquisition, redevelopment and construction of the Project.
4. The parties now desire to memorialize the terms of their agreement as set forth herein.

NOW, THEREFORE, in consideration of the mutual promises, covenants and conditions set forth herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

Section 1. Defined Terms

Capitalized terms used in this Agreement and not otherwise defined herein shall have the meanings set forth in the Partnership Agreement (as defined in this Section 1).

“Completion of Construction” means the date upon which the construction of the Project shall have been completed, as evidenced by the issuance by each governmental agency having jurisdiction of certificates of occupancy (or local equivalents) with respect to all dwelling units in the Project.

“Eligible Basis Costs” means costs which are determined by the accountants for the Partnership to be includable in “eligible basis” within the meaning of Section 42(d) of the Code.

“Partnership Agreement” means that certain Agreement of Limited Partnership of the Partnership dated September 21, 2018, as may be amended or restated from time to time.

“State” means the Commonwealth of Virginia.

“Tax Credits” means the low-income housing tax credits provided for under Section 42 of the Code.

Section 2. Appointment and Obligations of the Developer

The Partnership hereby affirms the appointment of the Developer to render services for the Partnership, and confirms and ratifies the appointment of the Developer with respect to services rendered for the Partnership to date, in supervising and overseeing the development of the Project as herein contemplated.

(a) The Developer shall supervise and be responsible for the development and construction of the Project, and shall perform the services and carry out the responsibilities with respect to the Project as are reasonably within the general scope of such development and construction and such other responsibilities as are designated from time to time by the general partner(s) of the Partnership (the "General Partner") that are not otherwise inconsistent with the terms hereof.

(b) The Developer's services shall be performed in the name and on behalf of the Partnership and shall consist of the duties set forth in the following subparagraphs of this Section 2(b) and as provided elsewhere in this Agreement; provided, however, that if the performance of any duty of the Developer set forth in this Agreement is beyond the reasonable control of the Developer, the Developer shall nonetheless be obligated to (1) use its best efforts to perform such duty and (2) promptly notify the Partnership that the performance of such duty is beyond its reasonable control. The Developer has performed or shall perform the following:

- (i) Select the architect (the "Architect"), coordinate the preparation of the plans and specifications for the construction of the Project (the "Plans and Specifications"), and recommend alternative solutions whenever design details affect construction feasibility or schedules;
- (ii) Ensure that the Plans and Specifications are in compliance with all applicable codes, laws, ordinances, rules and regulations;
- (iii) Negotiate and cause to be executed, in the name and on behalf of the Partnership, agreements for architectural, engineering, testing or consulting services for the Project, and any agreements for the construction of any improvements or tenant improvements to be constructed or installed by the Partnership or the furnishing of any supplies, materials, machinery or equipment therefor, or any amendments thereof, provided that no agreement shall be executed nor a binding commitment made until the terms and conditions thereof and the party with whom the agreement is to be made shall have been approved by the Partnership;
- (iv) Assist the Partnership in dealing with neighborhood groups, local organizations, abutters and other parties interested in the development of the Project;
- (v) Assist the Partnership in identifying sources of financing for construction of the Project and negotiate the terms of such financing with lenders;

- (vi) Establish and implement appropriate administrative and financial controls for the design and construction of the Project, including but not limited to:
- (1) coordination and administration of the Project architect, the general contractor and other contractors, professionals and consultants employed in connection with the design of the Project;
 - (2) administration of any construction contracts on behalf of the Partnership;
 - (3) participation in conferences and the rendering of such advice and assistance as will aid in developing economical, efficient and desirable design and construction procedures;
 - (4) the rendering of advice and recommendations as to the selection procedures for, and selection of, subcontractors and suppliers;
 - (5) the review and submission to the Partnership for approval of all requests for payments under any architectural agreement, general contractor's agreement, or any loan agreements for construction of the Project with any lending institutions providing funds for the benefit of the Partnership for the design or construction of the Project;
 - (6) the submission of any suggestions or requests for changes which could in any reasonable manner improve the design, efficiency or cost of the Project;
 - (7) furnishing such consultation and advice relating to the construction and development of the Project as may be reasonably requested from time to time by the Partnership;
 - (8) keeping the Partnership fully informed on a regular basis of the progress of the design and construction of the Project, including the preparation of such reports as are provided for herein or any reports which may be reasonably requested by the Partnership;
 - (9) giving or making the Partnership's instructions, requirements, approvals and payments provided for in the agreements with the Architect, general contractor, and other contractors, professionals and consultants retained for the Project; and
 - (10) at the Partnership's expense, filing on behalf of, and as the attorney-in-fact for, the Partnership, any notices of completion required or permitted to be filed upon the completion of any improvement(s) and taking such actions as may be required to obtain any certificates of occupancy or equivalent documents

required to permit the occupancy of dwelling units and other space in the Project.

- (vii) Inspect the progress of the course of construction of the Project, including verification of the materials and labor being furnished to and for such construction so as to be fully competent to approve or disapprove requests for payments made by the Architect and the general contractor, or by any other parties with respect to the design and construction of the Project, and, in addition, to verify that the construction is being carried out substantially in accordance with the Plans and Specifications approved by the Partnership or, in the event that the same is not being so carried out, to promptly so notify the Partnership;
- (viii) If requested to do so by the Partnership, perform on behalf of the Partnership all obligations of the Partnership with respect to the design and construction of the Project contained in any loan agreement or security agreement entered into in connection with any financing for the construction of the Project, or in any lease or rental agreement relating to space in the Project, or in any agreement entered into with any governmental body or agency relating to the terms and conditions of such construction, provided that copies of such agreements have been provided by the Partnership to the Developer or the Partnership has otherwise notified the Developer in writing of such obligations;
- (ix) To the extent requested to do so by the Partnership, prepare and distribute to the Partnership a critical path schedule, and periodic updates thereto as necessary to reflect any material changes, but in any event not less frequently than quarterly, other design or construction cost estimates as required by the Partnership, and financial accounting reports, including monthly progress reports on the quality, progress and cost of construction and recommendations as to the drawing of funds from any loans arranged by the Partnership to cover the cost of design and construction of the Project;
- (x) Assist the Partnership in obtaining and maintaining insurance coverage for the Project, the Partnership and its employees during the development phase of the Project, in accordance with an insurance schedule approved by the Partnership, which insurance shall include general public liability insurance covering claims for personal injury, including, but not limited to, bodily injury or property damage occurring in or upon the Property or the streets, passageways, curbs and vaults adjoining the Property. Such insurance shall be in a liability amount approved by the Partnership;
- (xi) Prepare, accumulate and furnish to the General Partner and the appropriate governmental authorities, as necessary, data and information sufficient to identify the market value of improvements in place as of each real property tax lien date, and will make application for appropriate

exclusions from the capital costs of the Project for purposes of real property ad valorem taxes;

- (xii) Use its best efforts to accomplish the timely Completion of Construction of the Project in accordance with the Plans and Specifications and the time schedules for such completion approved by the Partnership, as amended from time to time;
- (xiii) At the direction of the Partnership, implement any decisions of the Partnership made in connection with the design, development and construction of the Project or any policies and procedures relating thereto, exclusive of leasing activities; and
- (xiv) Perform and administer any and all other services and responsibilities of the Developer which are set forth in any other provisions of this Agreement or which are requested to be performed by the Partnership and are within the general scope of the services described herein.

Section 3. Limitations and Restrictions

Notwithstanding any provisions of this Agreement, the Developer shall not take any action, expend any sum, make any decision, give any consent, approval or authorization, or incur any obligation with respect to any of the following matters unless and until the same has been approved by the General Partner:

(a) Approval of all construction and architectural contracts and all architectural plans, specifications and drawings prior to the construction and/or alteration of any improvements contemplated thereby, except for such matters as may be expressly delegated in writing to the Developer by the General Partner;

(b) Any proposed change in the work of the construction of the Project, or in the Plans and Specifications therefor as previously approved by the General Partner, or in the cost thereof, or any change which would affect the design, cost, value or quality of the Project, except for such matters as may be expressly delegated in writing to the Developer by the General Partner; or

(c) Expending an amount greater than the amount which the Developer in good faith believes to be the fair and reasonable market value at the time and place of contracting for any goods purchased or leased or services engaged on behalf of the Partnership or otherwise in connection with the Project.

Section 4. Expenses; Reimbursement

Except as otherwise provided for in this Agreement, the Developer shall be responsible for all of its expenses incurred in connection with the performance of its services under this Agreement, including, without limitation, the following:

(a) all wages, salaries and other compensation paid to the Developer's employees, including, without limitation, unemployment insurance, social security, workers' compensation and disability benefits; and

(b) the Developer's general overhead and administrative expenses.

To the extent that Developer advances funds on behalf of the Partnership to pay third parties for services or materials required for design and construction of the Project, all such advances shall be reimbursed by the Partnership within thirty (30) days following its receipt of an invoice from Developer requesting reimbursement together with satisfactory documentation relating to the advance.

Section 5. Accounts and Records

(a) The Developer, on behalf of the Partnership, shall keep such books of account and other records as may be required and approved by the General Partner, including, but not limited to, records relating to the costs for which construction advances have been requested and/or received. The Developer shall keep vouchers, statements, receipted bills and invoices and all other records, in the form approved by the General Partner, covering all collections, if any, disbursements and other data in connection with the Project prior to Completion of Construction. All accounts and records relating to the Project, including all correspondence, shall be surrendered to the Partnership upon demand without charge therefor.

(b) All books and records prepared or maintained by the Developer shall be kept and maintained at all times at the place or places approved by the General Partner and shall be available for and subject to audit, inspection and copying by the management agent for the Project, the General Partner or any representative or auditor therefor or supervisory or regulatory authority, at the times and in the manner set forth in the Partnership Agreement.

Section 6. Accrual of Development Fee

(a) For the collective development and project overhead services rendered to the Partnership, an aggregate development fee of _____ and 00/100 Dollars (\$ _____) (the "Development Fee"), or such greater amount as is permitted under the Virginia Qualified Allocation Plan, shall be payable to Developer.

(b) The Development Fee shall be earned proportionately as services are performed but shall in all events be fully-earned upon Completion of Construction.

Section 7. Payment of Development Fee

The Development Fee shall be paid to the Developer as nearly as reasonable to the date earned, utilizing Partnership cash flow and sale or refinancing proceeds and any other sources available to the Partnership. In no event shall any portion of the Development Fee be paid later than December 31 of the year which is fifteen (15) years after Completion of Construction, at which date the Developer shall have the right to receive payment from the Partnership. Any portion of the Development Fee paid following the Completion of Construction due to lack of sources available to the Partnership (deferred development fee) shall bear interest at a rate at

least equal to the Applicable Federal Rate published by the U.S. Treasury. Notwithstanding the foregoing, neither the amount of, nor the payment terms of, the Development Fee shall be made in violation of the provisions of the Partnership Agreement or in violation of the Qualified Allocation Plan of the Virginia Housing Development Authority or other applicable rules or policies of the Virginia Housing Development Authority.

Section 8. Applicable Law

This Agreement, and the application or interpretation hereof, shall be governed by and construed in accordance with the laws of the State.

Section 9. Binding Agreement

This Agreement shall be binding on the parties hereto, their heirs, executors, personal representatives, successors and assigns and supersedes any prior agreement for the development of the Project between the parties.

Section 10. Assignment

The Developer may, in its discretion, enter into agreements with third parties with respect to the performance of the services to be provided by the Developer hereunder so long as Developer remains primarily liable for the performance of such services. Neither such agreement, nor any permitted assignment hereunder, shall relieve Developer of any of its obligations hereunder or under applicable law. No other assignment of this Agreement or assignment or pledge of the Development Fee shall be permitted hereunder.

Section 11. Headings

All section headings in this Agreement are for convenience of reference only and are not intended to qualify the meaning of any section.

Section 12. Terminology

All personal pronouns used in this Agreement, whether used in the masculine, feminine or neuter gender, shall include all other genders, the singular shall include the plural, and vice versa as the context may require.

Section 13. Benefit of Agreement

The obligations and undertakings of the Developer set forth in this Agreement are made for the benefit of the Partnership and its partners and shall not inure to the benefit of any creditor of the Partnership other than a partner, notwithstanding any pledge or assignment by the Partnership of this Agreement or any rights hereunder.

Section 14. Excluded Services of the Developer

The parties expressly understand and agree that Developer's services shall not include (a) providing legal, tax or any other advice or other services to the Partnership regarding (i) the

formation of the Partnership, (ii) acquisition of an interest in the Partnership by the investor limited partner of the Partnership, the General Partner or any other person, (iii) the acquisition of the land upon which the Project will be located or the Tax Credits, or (iv) negotiation of the Partnership Agreement or any other agreements concerning the Partnership or the Project that are not directly associated with the development and construction of the Project pursuant to the Plans and Specifications; (b) negotiating or administering on behalf of the Partnership a permanent (as opposed to a construction) loan agreement; (c) causing the Project to comply with any land use and zoning laws, rules or regulations, city ordinances, including health and fire safety regulations, or any other requirement of law or governmental authorities applicable to construction or development of the Project; or (d) providing any other services with respect to the Project or the Partnership which the Developer reasonably determines are not Eligible Basis Costs for federal income tax purposes.

Section 15. Termination of Obligations

The obligations of the Developer under this Agreement shall terminate no later than the issuance of final certificates of occupancy for the Project.

Section 16. Severability of Provisions

Each provision of this Agreement shall be considered severable, and if for any reason any provision that is not essential to the effectuation of the basic purposes of the Agreement is determined to be invalid and contrary to any existing or future law, such invalidity shall not impair the operation of or affect those provisions of this Agreement that are valid.

Section 17. No Continuing Waiver

No consent or waiver, express or implied, by either party to or of any breach or default by the other party in the performance of this Agreement shall be construed as a consent or waiver to or of any subsequent breach or default in the performance by such other party of the same or any other obligations hereunder.

Section 18. Counterparts

This Agreement may be executed in multiple counterparts, each of which shall be an original and all of which together shall constitute one and the same document.

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed on the date first written above.

PARTNERSHIP

SHOCKOE I APARTMENTS VA LP,
a Virginia limited partnership

By: Shockoe I Apartments GP LLC,
a Virginia limited liability company
its general partner

By: _____
Moshe Eichler
Executive Manager

DEVELOPER

CRG DEVELOPERS LLC,
a New York limited liability company

By: _____
Sam Horowitz
Manager

B

Virginia State Corporation
Commission Certification
(MANDATORY)

Commonwealth of Virginia



STATE CORPORATION COMMISSION

Richmond, September 21, 2018

This is to certify that the certificate of limited partnership of

Shockoe I Apartments VA LP

was this day admitted to record in this office and that the said limited partnership is authorized to transact its business subject to all Virginia laws applicable to the limited partnership and its business.



State Corporation Commission

Attest:

Joel H. Beck
Clerk of the Commission

C

Principal's Previous
Participation Certification
(MANDATORY)



Previous Participation Certification

Development Name: _____

Name of Applicant (entity): _____

I hereby certify that:

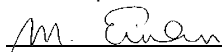
1. All the statements made by me are true, complete and correct to the best of my knowledge and belief and are made in good faith, including the data contained in Schedule A and any statements attached to this certification.
2. During any time that any of the participants were principals in any multifamily rental property, no property has been foreclosed upon, in default or assigned to the mortgage insurer (governmental or private); nor has mortgage relief by the mortgagee been given;
3. During any time that any of the participants were principals in any multifamily rental property, there has not been any breach by the owner of any agreements relating to the construction or rehabilitation, use, operation, management or disposition of the property, including removal from a partnership;
4. That at no time have any principals listed in this certification been required to turn in a property to the investor or have been removed from a multifamily rental property ownership structure;
5. That to the best of my knowledge, there are no unresolved findings raised as a result of state or federal audits, management reviews or other governmental investigations concerning any multifamily rental property in which any of the participants were principals;
6. During any time that any of the participants were principals in any multifamily rental property, there has not been a suspension or termination of payments under any state or federal assistance contract for the property;
7. None of the participants has been convicted of a felony and is not presently, to my knowledge, the subject of a complaint or indictment charging a felony. A felony is defined as any offense punishable by imprisonment for a term exceeding one year, but does not include any offense classified as a misdemeanor under the laws of a state and punishable by imprisonment of two years or less;
8. None of the participants has been suspended, debarred or otherwise restricted by any federal or state governmental entity from doing business with such governmental entity; and

Previous Participation Certification, cont'd

9. None of the participants has defaulted on an obligation covered by a surety or performance bond and has not been the subject of a claim under an employee fidelity bond.
10. None of the participants is a Virginia Housing employee or a member of the immediate household of any of its employees.
11. None of the participants is participating in the ownership of a multifamily rental housing property as of this date on which construction has stopped for a period in excess of 20 days or, in the case of a multifamily rental housing property assisted by any federal or state governmental entity, which has been substantially completed for more than 90 days but for which requisite documents for closing, such as the final cost certification, have not been filed with such governmental entity.
12. None of the participants has been found by any federal or state governmental entity or court to be in noncompliance with any applicable civil rights, equal employment opportunity or fair housing laws or regulations.
13. None of the participants was a principal in any multifamily rental property which has been found by any federal or state governmental entity or court to have failed to comply with Section 42 of the Internal Revenue Code of 1986, as amended, during the period of time in which the participant was a principal in such property. This does not refer to corrected 8823's.
14. None of the participants is currently named as a defendant in a civil lawsuit arising out of their ownership or other participation in a multi-family housing development where the amount of damages sought by plaintiffs (i.e., the ad damnum clause) exceeds One Million Dollars (\$1,000,000).
15. None of the participants has pursued a Qualified Contract or planned foreclosure in Virginia after January 1, 2019.

Statements above (if any) to which I cannot certify have been deleted by striking through the words. In the case of any such deletion, I have attached a true and accurate statement to explain the relevant facts and circumstances.

Failure to disclose information about properties which have been found to be out of compliance or any material misrepresentations are grounds for rejection of an application and prohibition against future applications.



Signature

Moshe Eichler

Printed Name

1/10/2021

Date (no more than 30 days prior to submission of the Application)

D

List of LIHTC Developments

(Schedule A)
(MANDATORY)



List of LIHTC Developments (Schedule A)

Development Name: Shockoe Hill Apartments
 Name of Applicant: Shockoe I VA LP

INSTRUCTIONS:

- 1 **A Schedule A is required for every individual that makes up the GP or Managing Member** - does not apply to principals of publicly traded corporations.
- 2 For each property for which an uncorrected 8823 has been issued, provide a detailed explanation of the nature of the non-compliance, as well as a status statement.
- 3 List only tax credit development experience since 2005 (i.e. for the past 15 years)
- 4 Use separate pages as needed, for each principal.

Moshe Eichler

Controlling GP (CGP) or 'Named' Managing Member of Proposed property?* Y or N

Principal's Name:

	Development Name/Location	Name of Ownership Entity and Phone Number	CGP or 'Named' Managing Member at the time of dev.? (Y/N)*	Total Dev. Units	Total Low Income Units	Placed in Service Date	8609(s) Issue Date	Uncorrected 8823's? (Y/N) Explain "Y"
1	Arbor Park	Arbor Park Phase One Associates, L.P. Arbor Park Phase Two Associates, L.P. Arbor Park Phase Three Associates, L.P.		629	629	2002, 2004, 2005	2004, 2006, 2008	N
4	Chateau D'Orleans	Gulfway Terrace Associates LP		207	207	9/17/2008	2/18/2010	N
5	College Park Apartments	Hampstead Bradford Court Apartments LLC		200	200	7/6/2004	5/13/2005	N
6	Concordia Place Apartments	Concordia Place Apartments LLC		297	297	1/1/2004	9/7/2006	N
7	Country Village Apartments	Country Village Apartments LLC		232	232	5/8/2013	2/27/2015	N
8	Foxivew Apartmetns	Steadfast Foxview, L.P.		373	373	12/23/2008	2/1/2011	N
12	Lake Road Apartments	Lake Road Apartments LLC		99	99	5/1/2006	8/8/2006	N
13	LaSalette Gardens	LGA, LLLP		76	76	11/27/2012	9/24/2013	N
14	Meadowlark Indiana LLC	Meadowlark Indiana LLC		360	360	12/14/2012	11/24/2014	N
15	Miami Gardens Apartments	Miami Gardens Apartments LLC		331	331	4/8/2004	12/29/2006	N
18	Prospect Park Apartments	Prospect Park Apartments Urban Renewal LLC		135	135	1/1/2016	3/23/2017	N
19	Providence at Cascade	TBG Central Methodist LP		240	240	12/27/2012	8/20/2015	N
20	Rose Park Plaza	Rosepark Plaza Apartments LLC		112	112	4/29/2005	10/16/2006	N
21	Sage Crossing Apartments	MCAP Sage LP		152	152	7/1/2006	10/9/2007	N
26	Towers East Apartments	Tower East Apartments LLC		150	150	9/30/2006	6/19/2007	N
27	Sir Walter Apartments	Sir Walter Apartments LP		138	138	12/31/2019	10/15/2020	N
28	Village Gate/Stratford Square	Omaha Apartments Partners LLC		170	170	6/12/2007	8/5/2008	N
30	Whispering Oaks	Whispering Oaks Associates LP		404	404	12/1/2009	5/17/2011	N
31	William Watters House	William Watters House LP		90	90	12/31/2006	12/28/2007	N
34								
35								
36								
37								
38								
39								
40								

* Must have the ability to bind the LIHTC entity; document with partnership/operating agreements and one 8609 (per entity/development) for a total of 6.

1st PAGE
TOTAL: 4,395 4,395

LIHTC as % of
 100% **Total Units**
 v.01.01.21



List of LIHTC Developments (Schedule A)

Development Name: Shockoe Hill Apartments
 Name of Applicant: Shockoe I VA LP

INSTRUCTIONS:

- 1 **A Schedule A is required for every individual that makes up the GP or Managing Member** - does not apply to principals of publicly traded corporations.
- 2 For each property for which an uncorrected 8823 has been issued, provide a detailed explanation of the nature of the non-compliance, as well as a status statement.
- 3 List only tax credit development experience since 2005 (i.e. for the past 15 years)
- 4 Use separate pages as needed, for each principal.

Sam Horowitz

Controlling GP (CGP) or 'Named' Managing Member of Proposed property?* Y or N

Principal's Name:

	Development Name/Location	Name of Ownership Entity and Phone Number	CGP or 'Named' Managing Member at the time of dev.? (Y/N)*	Total Dev. Units	Total Low Income Units	Placed in Service Date	8609(s) Issue Date	Uncorrected 8823's? (Y/N) Explain "Y"
1	Arbor Park	Arbor Park Phase One Associates, L.P. Arbor Park Phase Two Associates, L.P. Arbor Park Phase Three Associates, L.P.		629	629	2002, 2004, 2005	2004, 2006, 2008	N
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40								

* Must have the ability to bind the LIHTC entity; document with partnership/operating agreements and one 8609 (per entity/development) for a total of 6.

1st PAGE
TOTAL:

4,395 4,395

LIHTC as % of
100% Total Units
v.01.01.21

E

Site Control
Documentation & Most
Recent Real Estate Tax
Assessment
(MANDATORY)

**PURCHASE AND SALE AGREEMENT
(Shockoe I Apartments)**

THIS PURCHASE AND SALE AGREEMENT (this “Agreement”) is made and entered into as of the 20th day of August, 2019 (the “Effective Date”), by and between SHOCKOE I APARTMENTS LLC, a Virginia limited liability company (“Seller”) and SHOCKOE I APARTMENTS VA LP, a Virginia limited partnership (“Purchaser”).

RECITALS:

WHEREAS, Seller is the owner of a multifamily apartment complex commonly referred to as Shockoe I Apartments, located at 200, 210 and 210B Hospital Street, Richmond, VA 23219, and further described herein, which Seller desires to sell and convey to Purchaser, and Purchaser desires to purchase from Seller.

WHEREAS, the Project (as defined below) benefits from that certain Project-Based Section 8 Housing Assistance Payments Basic Renewal Contract, effective June 2, 2014, entered into between Seller’s predecessor in interest and the U.S. Department of Housing and Urban Development (“HUD”).

WHEREAS, fee simple title to the Project (as defined below) was acquired by Seller pursuant to (i) Special Warranty Deed dated as of March 7, 2017, from the Richmond Redevelopment and Housing Authority, recorded as Book 17, Page 8314 in the Land Records of Richmond City, Virginia (the “Land Records”); (ii) Assignment and Assumption of Lease dated as March 16, 2016 by and between Seller and Shockoe Hill I L.P., recorded as Instrument No. 160005112 in the Land Records on March 22, 2016; (iii) Assignment and Assumption of Lease dated as of March 16, 2016 by and between Seller and Shockoe Hill Associates III L.P., recorded as Instrument No. 160005112 in the Land Records on March 22, 2016; and (iv) Assignment and Assumption of Lease dated as of March 16, 2016 by and between Seller and Shockoe Hill Associates, recorded as Instrument No. 160005114 in the Land Records on March 22, 2016.

AGREEMENT:

NOW THEREFORE, for good and valuable consideration the receipt and adequacy of which is hereby acknowledged, the parties hereto agree as follows:

1. **Purchase and Sale of the Project.** Seller hereby agrees to sell and convey to Purchaser, and Purchaser hereby agrees to purchase from Seller, upon the terms and conditions set forth in this Agreement, all right, title and interest of Seller in and to the following:

a) **Real Property.** The real property more particularly described in Exhibit A attached hereto (the “Land”), together with all rights, easements and interests appurtenant thereto including, but not limited to, Seller’s interest in any streets or other public ways adjacent to said Land and any water or mineral rights owned by or leased to Seller (“Additional Interests”), and including all improvements located on the Land (“Improvements”), including, but not limited to, all residential apartment buildings (the “Buildings”), all other structures, parking areas, systems and utilities associated with, and utilized by, Seller in the ownership and operation of the

Buildings (the Land, Additional Interests, Buildings, and Improvements collectively referred to as, the “Real Property”).

b) Personal Property. All furniture, furnishings, fixtures, equipment, tools, supplies and other tangible personal property presently affixed to and/or located at or on the Real Property, and which is used in connection with the management, operation or repair of the Real Property, or replacements of those items as permitted under this Agreement (collectively, “Personal Property”); and

c) Intangible Property. The following intangibles (collectively, “Intangible Property”): (i) any and all residential leases (“Leases”) and all commitments, contracts, options or other agreements with respect to the maintenance, repair or operation of the Real Property and Personal Property (collectively, “Contracts”) in effect on the Closing Date (as hereinafter defined), provided however that Purchaser shall assume only such Contracts as Seller may be allowed to assign; (ii) any and all refundable tenant security deposits (and required interest thereon) with respect to the Leases and Contracts as of the Closing Date which are held or controlled by Seller in connection with the Real Property; (iii) any and all licenses, permits, authorizations, certificates of occupancy and other approvals that are in effect as of the Closing Date and necessary for the current use and operation of the Project; (iv) any and all warranties, telephone exchange numbers, architectural or engineering plans and specifications, and development rights that exist as of the Closing Date and relate to the Real Property or the Personal Property; and (v) any and all rights to the name of the Improvements and Buildings upon the Real Property.

The term “Project” as used herein means the aggregate of the Real Property, the Personal Property and the Intangible Property.

2. **Purchase Price**. The total purchase price to be paid to Seller by Purchaser for the Project shall be EIGHT MILLION THREE HUNDRED TEN THOUSAND AND 00/100 DOLLARS (\$8,310,000.00) (the “Purchase Price”), which Purchase Price may be increased upon written notice by Purchaser to Seller (“Price Notice”) following determination of fair market value of the Project by appraisal acceptable to Purchaser in its sole and absolute discretion which Price Notice shall contain a statement of the revised Purchase Price, and upon delivery of which Price Notice to Seller, the Purchase Price hereunder shall be deemed to be that contained therein. Provided that all conditions precedent to Purchaser’s and Seller’s obligations to close as set forth in this Agreement have been satisfied and fulfilled, or waived, the Purchase Price shall be paid to Seller at Closing (as hereinafter defined) in the form of cash, a promissory note secured by a mortgage and/or the assumption of indebtedness owed by Seller in connection with the Project, in accordance with the terms of this Agreement (plus or minus prorations and other adjustments required under this Agreement).

3. **Conditions Precedent to Closing**. The Closing and the obligations of Purchaser and Seller under this Agreement are subject to the satisfaction of all the conditions set forth in this Section 3. If this schedule of conditions precedent is not met either Seller or Purchaser may terminate this Agreement by giving written notice of such termination to the other, and thereafter, this Agreement shall terminate and the parties shall be relieved of all further obligations to each other.

a) Purchaser's Tax Credits. Purchaser shall have been awarded by the Virginia Housing Development Authority an allocation of federal low income housing tax credits in an amount sufficient, in Purchaser's sole discretion, when combined with other funds available to Purchaser, to allow Purchaser's acquisition and planned rehabilitation of the Project.

b) Seller's Financing. Seller shall have received any necessary approval for prepayment from any mortgagee currently holding security in the Project.

c) HUD Consent. Purchaser and Seller shall have received any necessary approval from HUD.

4. **Closing Date**. The closing of the transaction contemplated hereby (the "Closing") shall take place, at a location mutually agreeable to the parties, on or before December 31, 2019, provided however that Purchaser may extend the Closing by three (3) successive 30 day periods by notice to Seller (the day on which Closing actually occurs shall be the "Closing Date").

Notwithstanding the foregoing, the risk of loss of all or any portion of the Project shall be borne by Seller up to and including the actual time of the Closing and thereafter by Purchaser.

5. **Deliveries at Closing**. At Closing, or, if noted otherwise, at the appropriate time period prior to the scheduled Closing Date as described below, the parties hereto shall deliver, or cause to be delivered, the following:

a) Deed. Seller shall provide a quitclaim deed for the Real Property (the "Deed") in recordable form, sufficient to vest title to the Land and Improvements.

b) Bill of Sale. Seller shall provide Bill of Sale and Assignment conveying and assigning to Purchaser title to all of the Personal Property to be transferred to Purchaser in conjunction with the sale of the Project and constituting assignments of all Intangible Property which Seller has the power to assign and Purchaser has agreed to assume. The Bill of Sale and Assignment shall include, without limitation, an assignment of Seller's rights and interests as landlord or lessor under the Leases.

c) Closing Statement. A Closing Statement shall be signed by Purchaser and Seller.

d) Leases. Seller shall deliver to Purchaser the Leases and all such Leases shall be assigned to Purchaser pursuant to the Bill of Sale and Assignment Agreement. To the extent not credited to Purchaser on the Closing Statement, Seller shall deliver to Purchaser an assignment of all security deposits including interest accrued as of the Closing Date in which the residents of the Project have continuing interests, and shall transfer all funds constituting such security deposits to Purchaser.

e) Rent Roll. Seller shall deliver to Purchaser a "Rent Roll" in the form normally utilized by Seller and its management agent, dated within one week prior to the Closing Date, certified by Seller to be true, correct and complete.

f) Notice to Tenants. Seller and Purchaser shall agree upon the form of written notice to be sent to residents of the Project, notifying them of the sale of the Project, and the name and address of Purchaser as the new owner of the Project, which notice shall be distributed by Purchaser on the day following the Closing.

g) Seller's Affidavit. Seller shall deliver to Purchaser an Affidavit (i) inducing the title insurance company engaged by Purchaser to eliminate the standard exceptions to Purchaser's title insurance policy, (ii) reciting Seller's authority to sell the Project to Purchaser and (iii) containing a certification that Seller is not a "foreign person" as defined in Section 1445(f)(3) of the Internal Revenue Code, as amended, any temporary or final regulations promulgated thereunder, or any officially published announcements of the Internal Revenue Service or United States Treasury in connection therewith.

h) Other Documents. The parties shall deliver to each other such other documents as may be reasonably required to effectuate the conveyance of the Project contemplated hereunder.

6. **Costs, Taxes and Adjustments**

a) Adjustments. The Purchase Price shall be adjusted as follows based upon the premise that Purchaser owns the Project as of 12:01 a.m. on the Closing Date:

i) All real estate and personal property taxes and assessments (general and special) which are due and payable shall assumed by Purchaser.

ii) All security deposits held by Seller with respect to the residents of the Project, including interest thereon, will be transferred to Purchaser.

iii) All operating accounts and replacement reserve accounts held by Seller on the Closing Date with respect to the Project will remain with Seller.

iv) If any Project reserves or escrows, including without limitation Reserve Fund for Replacement, Tax or Insurance Escrow, or Residual Receipts Escrow, are required to remain with the Project following Closing and/or are not released to Seller upon Closing, Seller shall receive payment or credit at the Closing equal to the aggregate sum of such reserves and escrows.

v) If Purchaser elects to take an assignment of all or any portion of Seller's insurance, subject to Seller's consent, Seller shall receive a credit for any insurance premiums paid prior to the Closing Date for such insurance coverage beyond the Closing Date.

b) Closing Costs.

i) Seller shall pay its own counsel fees.

ii) Purchaser shall pay for customary escrow and closing fees, all expenses of examinations of title, title insurance premiums, costs of all surveys, and all recordation

taxes and fees associated with the recordation of any documents required to be recorded by Purchaser's lenders, if any, all documentary stamp and transfer taxes, intangible taxes and other recordation taxes and fees in connection with the recording of the Deed and the transfer of the Project, all costs of lender's or owner's title insurance and its own counsel fees.

7. **Representations and Warranties**

a) Seller's Representations and Warranties. Seller represents and warrants to Purchaser that the following representations and warranties are true, accurate and complete as of the Effective Date and shall remain true as of the Closing Date:

i) Each of the persons executing this Agreement on behalf of Seller is duly authorized to do so. Seller has full right and authority to enter into this Agreement and to consummate the transaction described in this Agreement.

ii) There are no actions, suits, Claims or other proceedings (collectively, "Litigation") pending or, to the best of Seller's knowledge, threatened against Seller that could affect Seller's ability to perform its obligations when and as required under the terms of this Agreement.

b) Purchaser's Representations and Warranties. Purchaser represents and warrants to Seller that the following are true, accurate and complete as of the Effective Date and shall remain true as of the Closing Date:

i) Authority. Each of the persons executing this Agreement on behalf of Purchaser is duly authorized to do so. Purchaser has full right and authority to enter into this Agreement and to consummate the transaction described in this Agreement.

ii) Litigation. There is no Litigation pending or, to the best of Purchaser's knowledge, threatened against Purchaser that could affect Purchaser's ability to perform its obligations when and as required under the terms of this Agreement.

8. **Context**. In construing this Agreement, it is understood that if the context so requires, the singular shall be taken to mean and include the plural, the masculine shall include the feminine and the neuter and that generally all grammatical changes shall be made, assumed and implied to make the provisions hereof apply equally to one or more individuals, partners (general and limited) and/or corporations. All references to "days" shall be construed to be references to calendar days.

9. **Entire Agreement** This Agreement represents the entire Agreement between Seller and Purchaser with respect to the subject matter hereof and supersedes all prior discussions, understanding, agreements and negotiations between the parties hereto. This Agreement shall not be amended, modified or supplemented except by agreement in writing executed by the duly authorized persons for Seller and Purchaser.

10. **Assignments of this Agreement.** No party to this Agreement shall have the right to assign its interest in the rights and obligations of this Agreement without the prior written consent of the other parties hereto.

11. **Counterparts.** This Agreement may be executed in multiple counterparts, each of which shall be deemed to be an original, and all such counterparts shall constitute but one instrument.

12. **Severability.** The invalidity of any provision, section, subsection, paragraph, sentence, word, punctuation, or abbreviation of this Agreement shall not affect the validity of any other provision thereon, provided however that in the event the provision declared invalid shall cause this Agreement not to substantially provide the economic benefits expected by the parties, the parties shall in good faith attempt to meet the original expectations, failing which this Agreement shall be null and void.

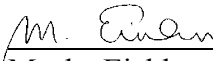
13. **Applicable Law.** This Agreement shall be governed and controlled as to validity, enforcement, interpretation, construction, effect and in all other respects by the laws of the Commonwealth of Virginia.

[remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date.

SELLER:

SHOCKOE I APARTMENTS LLC,
a Virginia limited liability company

By:  _____
Moshe Eichler
Manager

PURCHASER:

SHOCKOE I APARTMENTS VA LP,
a Virginia limited partnership

By: Shockoe I Apartments GP LLC,
a Virginia limited liability company,
its general partner

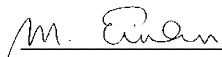
By:  _____
Moshe Eichler
Executive Manager

EXHIBIT A

LEGAL DESCRIPTION

All that certain lot, piece or parcel of land, with the buildings and improvements thereon erected, situate, lying and being in the City of Richmond, Commonwealth of Virginia.

PARCEL 1:

ALL THAT CERTAIN TRACT, PIECE, OR PARCEL OF LAND, LYING AND BEING IN THE CITY OF RICHMOND, VIRGINIA AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A STONE FOUND AT THE POINT OF INTERSECTION OF THE NORTH LINE OF HOSPITAL STREET AND THE EAST LINE OF 2nd STREET, LABELED "P.O.B.#1"; THENCE ALONG SAID EAST LINE OF 2nd STREET N17°23'54"E, 183.19 FEET TO A NAIL FOUND; THENCE DEPARTING SAID EAST LINE OF 2nd STREET S53°10'36"E, 175.93 FEET TO A NAIL FOUND; THENCE N82°23'39 "E, 12.49 FEET TO A NAIL FOUND; THENCE S53°08'47"E, 57.29 FEET TO A NAIL FOUND; THENCE N75°27'27"E, 38.47 FEET TO A NAIL FOUND; THENCE N36°51'52"E, 46.05 FEET TO A ROD FOUND, LABELED "P.O.B.#2"; THENCE S52°49'08"E, 166.03 FEET TO A ROD FOUND; THENCE N37°10'52"E 35.00 FEET TO A ROD FOUND; THENCE S52°49'08"E, 86.16 FEET TO A NAIL FOUND ON BRICK WALL; THENCE S36°49'15"W, 290.73 FEET TO A TACK FOUND ON BRICK WALL ON THE NORTH LINE OF HOSPITAL STREET; THENCE ALONG SAID NORTH LINE OF HOSPITAL STREET N53°12'39"W, 457.68 FEET TO THE POINT OF BEGINNING.

PARCEL 2:

ALL THAT CERTAIN TRACT, PIECE, OR PARCEL OF LAND, LYING AND BEING IN THE CITY OF RICHMOND, VIRGINIA AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A ROD FOUND AT THE POINT DESCRIBED AS "P.O.B. #2" IN THE LEGAL DESCRIPTION OF PARCEL 1 ABOVE; THENCE N36°51'52"E, 265.98 FEET TO A NAIL FOUND IN THE ROOT OF A 16" TREE ON THE SOUTH LINE OF THE LANDS OF CSX TRANSPORTATION, INC.; THENCE ALONG SAID SOUTH LINE OF CSX TRANSPORTATION, INC. S42°18'56"E, 256.80 FEET TO A ROD SET; THENCE DEPARTING SAID SOUTH LINE OF CSX TRANSPORTATION, INC. S36°49'15"W, 184.17 FEET TO A NAIL FOUND ON BRICK WALL; THENCE N52°49'08"W, 86.16 FEET TO A ROD FOUND; THENCE S37°10'52"W 35.00 FEET TO A ROD FOUND; THENCE N52°49'08"W, 166.03 FEET TO THE POINT OF BEGINNING.

**AMENDMENT TO
PURCHASE AND SALE AGREEMENT**
(Shockoe I Apartments)

THIS FIRST AMENDMENT TO PURCHASE AND SALE AGREEMENT (this “Amendment”) is made and entered into as of January 15, 2020 (the “Effective Date”), by and between SHOCKOE I APARTMENTS LLC, a Virginia limited liability company (“Seller”) and SHOCKOE I APARTMENTS VA LP, a Virginia limited partnership (“Purchaser”).

RECITALS

A. Seller and Purchaser entered into that Purchase and Sale Agreement, dated as of August 20, 2019, for the sale by Seller and purchase by Purchaser of the property described therein (the “Contract”).

B. Seller and Purchaser acknowledge that extensions permitted under the Contract are not sufficient to meet conditions precedent to closing therein, and have determined it desirable and appropriate to amend the Contract by this Amendment.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing, the covenants and agreements contained in this Amendment and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller and Purchaser agree as follows:

1. Closing Date. Section 4 of the Contract is hereby amended and restated in its entirety to read as follows:

“4. **Closing Date**. The closing of the transaction contemplated hereby (the “Closing”) shall take place, at a location mutually agreeable to the parties, on or before December 31, 2020, provided however that Purchaser may extend the Closing by three (3) successive 30 day periods by notice to Seller (the day on which Closing actually occurs shall be the “Closing Date”).

Notwithstanding the foregoing, the risk of loss of all or any portion of the Project shall be borne by Seller up to and including the actual time of the Closing and thereafter by Purchaser.”

2. No Change. This Amendment relates only to the specific matters covered herein and shall not constitute a consent to or waiver or modification of any other provision, term or condition of the Contract.

3. Full Force. All terms, provisions, covenants, representations, warranties, agreements and conditions contained in the Contract shall remain in full force and effect, except as expressly provided herein.

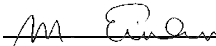
4. Capitalized Terms. Capitalized terms used and not defined in this Amendment shall have the meanings ascribed to them in the Contract.

5. Multiple Counterparts. This Amendment may be executed in multiple counterparts by the parties, and a facsimile telecopy hereof shall be considered the same as the original executed counterpart hereof, such that, when read together, separately executed multiple counterparts of this Amendment transmitted by facsimile telecopy, shall serve as an original fully executed counterpart hereof for all purposes.

IN WITNESS WHEREOF, the parties have executed this Amendment as of the date first indicated above.

SELLER:

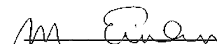
SHOCKOE I APARTMENTS LLC,
a Virginia limited liability company

By:  _____
Moshe Eichler
Manager

PURCHASER:

SHOCKOE I APARTMENTS VA LP,
a Virginia limited partnership

By: Shockoe I Apartments GP LLC,
a Virginia limited liability company,
its general partner

By:  _____
Moshe Eichler
Executive Manager

**SECOND AMENDMENT TO
PURCHASE AND SALE AGREEMENT**
(Shockoe I Apartments)

THIS SECOND AMENDMENT TO PURCHASE AND SALE AGREEMENT (this “Amendment”) is made and entered into as of January 1, 2021 (the “Effective Date”), by and between SHOCKOE I APARTMENTS LLC, a Virginia limited liability company (“Seller”) and SHOCKOE I APARTMENTS VA LP, a Virginia limited partnership (“Purchaser”).

RECITALS

A. Seller and Purchaser entered into that Purchase and Sale Agreement, dated as of August 20, 2019, for the sale by Seller and purchase by Purchaser of the property described therein, as amended by that First Amendment, dated January 15, 2020 (the “Contract”).

B. Seller and Purchaser acknowledge that extensions permitted under the Contract are not sufficient to meet certain requirements applicable to the transaction contemplated by the Contract, and have determined it desirable and appropriate to amend the Contract by this Amendment.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing, the covenants and agreements contained in this Amendment and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller and Purchaser agree as follows:

1. Closing Date. Section 4 of the Contract is hereby amended and restated in its entirety to read as follows:

“**4. Closing Date**. The closing of the transaction contemplated hereby (the “Closing”) shall take place, at a location mutually agreeable to the parties, on or before May 30, 2020 (the day on which Closing actually occurs shall be the “Closing Date”).

Notwithstanding the foregoing, the risk of loss of all or any portion of the Project shall be borne by Seller up to and including the actual time of the Closing and thereafter by Purchaser.”

2. No Change. This Amendment relates only to the specific matters covered herein and shall not constitute a consent to or waiver or modification of any other provision, term or condition of the Contract.

3. Full Force. All terms, provisions, covenants, representations, warranties, agreements and conditions contained in the Contract shall remain in full force and effect, except as expressly provided herein.

4. Capitalized Terms. Capitalized terms used and not defined in this Amendment shall have the meanings ascribed to them in the Contract.

5. Multiple Counterparts. This Amendment may be executed in multiple counterparts by the parties, and a facsimile telecopy hereof shall be considered the same as the original executed counterpart hereof, such that, when read together, separately executed multiple counterparts of this Amendment transmitted by facsimile telecopy, shall serve as an original fully executed counterpart hereof for all purposes.

IN WITNESS WHEREOF, the parties have executed this Amendment as of the date first indicated above.

SELLER:

SHOCKOE I APARTMENTS LLC,
a Virginia limited liability company

By: M. Eichler
Moshe Eichler
Manager

PURCHASER:

SHOCKOE I APARTMENTS VA LP,
a Virginia limited partnership

By: Shockoe I Apartments GP LLC,
a Virginia limited liability company,
its general partner

By: M. Eichler
Moshe Eichler
Executive Manager



City of Richmond Virginia
Division of Collections
PO Box 26505
Richmond, VA 23261-6505

2020 First Half Real Estate Tax Bill

Bill Number 20030934

**Please record Bill Number in memo section of check
and include in all online banking transactions**

SHOCKOE I APARTMENTS LLC
86 ROUTE 59 EAST
SPRING VALLEY NY 10977

Property Information		Tax Information	
Tax Year:	2020	Total Adjusted Annual Charges:	\$56,688.00
Bill Number:	20030934	Current Interest:	\$0.00
Parcel ID Number:	N0000233021B	Current Penalty:	\$0.00
Property Address:	210 Hospital St		
Mortgage Company:		Amount Due January 14, 2020	\$28,344.00
Annual Valuation			
Class / Type			Total
Building			\$3,874,000.00
Land			\$850,000.00
Total			\$4,724,000.00
Summary of Adjusted Annual Charges			
Description	Tax Rate		Annual Charges
REAL ESTATE TAX	\$1.20		\$56,688.00
PAYMENTS RECEIVED TO DATE			\$0.00
Total Adjusted Annual Charges			\$56,688.00

This bill does not show any prior year balances. If your account is delinquent, it may have been turned over to a collection agency.

Use the enclosed self-addressed envelope. Do not mail cash.

Please review back of bill for additional information.

U.S. Postal Service postmark must be on or before January 14, 2020 to avoid late payment penalty and interest.

Return bottom portion with payment. Cancelled check will be your receipt. Retain top portion for your records.



City of Richmond
Division of Collections
PO Box 26505
Richmond, VA 23261-6505

2020 First Half Real Estate Tax Bill

2020 First Half Real Estate Tax Bill

Bill Number	Amount Due
20030934	\$28,344.00
Parcel ID Number	OFFICE USE ONLY
N0000233021B	536639
Due Date	Please Enter Amount Paid
01/14/2020	\$

Return this portion with your check payable to:

City of Richmond Virginia / Real Estate
P.O. Box 85005
Richmond, VA 23285-5005

SHOCKOE I APARTMENTS LLC
86 ROUTE 59 EAST
SPRING VALLEY NY 10977

00002082020620030934200028344000

The Citizen Center Report can be viewed at the following link.
<http://www.richmondgov.com/Finance/AnnualFinancialReports.aspx>

PAYMENT INFORMATION

- ❖ **Online Banking:** Please record **Bill Number** in all online banking internet transactions. Contact your bank or financial institution for more information.
- ❖ **Pay by mail:** Mail check or money order, made payable to: City of Richmond Virginia / Real Estate. Insert the bottom portion in enclosed envelope. **Please record Bill Number in memo section of check.**
- ❖ **Pay in person:** bring your bill and cash, check, money order or credit card to the following locations:
 - East District Initiative (**Free Parking**): 701 North 25th Street — Hours: Mon. – Fri. 8:00 AM – 5:00 PM
 - Southside Initiative (**Free Parking**): 4100 Hull Street — Hours: Mon. – Fri. 8:00 AM – 5:00 PM
 - City Hall: 900 East Broad Street, Room 102 — Hours: Mon. – Fri. 8:00 AM – 5:00 PM**Please record Bill Number in memo section of check.** Credit card transactions will incur a convenience fee.
- ❖ **Pay at drop box locations:** bring bill and check or money order to the following locations:
 - City Hall — 24 hours — 7 days a week — 10th Street
 - City Hall: Outside Room 102 — Hours: Mon. – Fri. 7:30 AM – 5:30 PM
 - East District Initiative: 701 North 25th Street — Hours: Mon. – Fri. 8:00 AM – 7:00 PM
 - Southside Initiative: 4100 Hull Street — Hours: Mon. – Fri. 8:00 AM – 7:00 PM**Please record Bill Number in memo section of check.**
- ❖ **Pay by Phone or Online:** You can pay your personal property or real estate taxes online by visiting www.richmondgov.com or pay by phone by calling 1-866-890-5269. Follow the links to Finance and the Pay Online section. Electronic check/ACH transactions will incur a \$0.95 fee; credit/debit card transaction fee is based on payment amount. Fees assessed by third party as outlined.
- ❖ **Bankruptcy Accounts:** All payments and inquiries are to be made at City Hall, Room 109.

LATE PAYMENTS

The City of Richmond actively pursues payments of unpaid taxes. Payments received or postmarked after the due date are subject to a penalty of \$10 or ten percent of the taxes due (whichever is greater) and interest up to 10% per annum. Delinquent accounts may be charged a \$30 administrative fee. Failure to pay any tax obligation may result in collection action as outlined in Title 58.1 of the Code of Virginia. Unpaid taxes forwarded to a collection firm will incur additional charges up to 20% for collection fees.

LOSS OF TAX REHABILITATION CREDIT OR TAX RELIEF

Failure to pay the balance due on or before January 14, 2020 could result in the loss of your tax relief for the elderly or disabled credit. Failure to pay real estate tax balance due on or before January 14, 2020 will result in forfeiture (loss) of your tax rehabilitation credit.

Property owners 65 years of age or older, or permanently and totally disabled, may qualify for the Tax Relief for the Elderly or Disabled Program. Income and net worth limitations apply. Applications are available from the City of Richmond by calling (804) 646-7000. The deadline for first time applicants is March 31, 2020.

MORTGAGE COMPANY INFORMATION

If your mortgage company escrows your real estate taxes, please forward this bill to your mortgage company immediately for payment.

REAL ESTATE — CHANGE OF ADDRESS

Any owner of real estate that is changing his/her mailing address **MUST** contact the Assessor's Office at (804) 646-7500 and request a change of address form *for each property owned*. The completed form must be submitted directly to the Assessor's Office City Hall, Room 802. Address changes will not be accepted by phone or otherwise.

CONTACT INFORMATION

The Atlanta Lockbox address is no longer active.

Visit us at www.richmondgov.com for answers to frequently asked questions.

Written correspondence regarding your real estate tax bill may be mailed to:

City of Richmond, Revenue Administration

PO Box 26505

Richmond, VA 23261-6505

To contact by telephone call: (804) 646-7000

Fax: (804) 646-5719

CITY OF RICHMOND – REAL ESTATE

PO BOX 85005

RICHMOND VA 23285-5005





City of Richmond Virginia
Division of Collections
PO Box 26505
Richmond, VA 23261-6505

2020 First Half Real Estate Tax Bill

Bill Number 20030934

**Please record Bill Number in memo section of check
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SHOCKOE I APARTMENTS LLC
86 ROUTE 59 EAST
SPRING VALLEY NY 10977

Property Information		Tax Information	
Tax Year:	2020	Total Adjusted Annual Charges:	\$56,688.00
Bill Number:	20030934	Current Interest:	\$0.00
Parcel ID Number:	N0000233021B	Current Penalty:	\$0.00
Property Address:	210 Hospital St		
Mortgage Company:		Amount Due January 14, 2020	\$28,344.00
Annual Valuation			
Class / Type			Total
Building			\$3,874,000.00
Land			\$850,000.00
Total			\$4,724,000.00
Summary of Adjusted Annual Charges			
Description	Tax Rate		Annual Charges
REAL ESTATE TAX	\$1.20		\$56,688.00
PAYMENTS RECEIVED TO DATE			\$0.00
Total Adjusted Annual Charges			\$56,688.00

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City of Richmond
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Richmond, VA 23261-6505

2020 First Half Real Estate Tax Bill

2020 First Half Real Estate Tax Bill

Bill Number	Amount Due
20030934	\$28,344.00
Parcel ID Number	OFFICE USE ONLY
N0000233021B	536639
Due Date	Please Enter Amount Paid
01/14/2020	\$

Return this portion with your check payable to:

City of Richmond Virginia / Real Estate
P.O. Box 85005
Richmond, VA 23285-5005

SHOCKOE I APARTMENTS LLC
86 ROUTE 59 EAST
SPRING VALLEY NY 10977

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CITY OF RICHMOND – REAL ESTATE

PO BOX 85005

RICHMOND VA 23285-5005





City of Richmond Virginia
Division of Collections
PO Box 26505
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2020 First Half Real Estate Tax Bill

Bill Number 20030923

**Please record Bill Number in memo section of check
and include in all online banking transactions**

SHOCKOE I APARTMENTS LLC
86 ROUTE 59
SPRING VALLEY NY 10977-5214

Property Information		Tax Information	
Tax Year:	2020	Total Adjusted Annual Charges:	\$3,696.00
Bill Number:	20030923	Current Interest:	\$0.00
Parcel ID Number:	N0000233003	Current Penalty:	\$0.00
Property Address:	210 B Hospital St		
Mortgage Company:		Amount Due January 14, 2020	\$1,848.00
Annual Valuation			
Class / Type		Total	
Building		\$228,000.00	
Land		\$80,000.00	
Total		\$308,000.00	
Summary of Adjusted Annual Charges			
Description	Tax Rate	Annual Charges	
REAL ESTATE TAX	\$1.20	\$3,696.00	
PAYMENTS RECEIVED TO DATE		\$0.00	
		Total Adjusted Annual Charges	\$3,696.00

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2020 First Half Real Estate Tax Bill

29781



SHOCKOE I APARTMENTS LLC
86 ROUTE 59
SPRING VALLEY NY 10977-5214

2020 First Half Real Estate Tax Bill

Bill Number	Amount Due
20030923	\$1,848.00
Parcel ID Number	OFFICE USE ONLY
N0000233003	536639
Due Date	Please Enter Amount Paid
01/14/2020	\$

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00002082020620030923500001848001

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Bill Number 20030923

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SHOCKOE I APARTMENTS LLC
86 ROUTE 59
SPRING VALLEY NY 10977-5214

Property Information		Tax Information	
Tax Year:	2020	Total Adjusted Annual Charges:	\$3,696.00
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Parcel ID Number:	N0000233003	Current Penalty:	\$0.00
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Mortgage Company:		Amount Due January 14, 2020	\$1,848.00
Annual Valuation			
Class / Type		Total	
Building		\$228,000.00	
Land		\$80,000.00	
Total		\$308,000.00	
Summary of Adjusted Annual Charges			
Description	Tax Rate	Annual Charges	
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PAYMENTS RECEIVED TO DATE		\$0.00	
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29781



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86 ROUTE 59
SPRING VALLEY NY 10977-5214

2020 First Half Real Estate Tax Bill

Bill Number	Amount Due
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Parcel ID Number	OFFICE USE ONLY
N0000233003	536639
Due Date	Please Enter Amount Paid
01/14/2020	\$

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00002082020620030923500001848001

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2020 First Half Real Estate Tax Bill

Bill Number 20030920

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SHOCKOE I APARTMENTS LLC
86 EAST ROUTE 59
SPRING VALLEY NY 10977

Property Information		Tax Information	
Tax Year:	2020	Total Adjusted Annual Charges:	\$8,112.00
Bill Number:	20030920	Current Interest:	\$0.00
Parcel ID Number:	N0000233001	Current Penalty:	\$0.00
Property Address:	200 Hospital St		
Mortgage Company:		Amount Due January 14, 2020	\$4,056.00
Annual Valuation			
Class / Type		Total	
Building		\$594,000.00	
Land		\$82,000.00	
Total		\$676,000.00	
Summary of Adjusted Annual Charges			
Description	Tax Rate	Annual Charges	
REAL ESTATE TAX	\$1.20	\$8,112.00	
PAYMENTS RECEIVED TO DATE		\$0.00	
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2020 First Half Real Estate Tax Bill

Bill Number	Amount Due
20030920	\$4,056.00
Parcel ID Number	OFFICE USE ONLY
N0000233001	588253
Due Date	Please Enter Amount Paid
01/14/2020	\$

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RICHMOND VA 23285-5005



F

Third-Party RESNET
Rater Certification
(MANDATORY)



Appendix F

RESNET Rater Certification of Development Plans

I certify that the development's plans and specifications incorporate all items for the required baseline energy performance as indicated in Virginia's Qualified Allocation Plan (QAP).

In the event the plans and specifications do not include requirements to meet the QAP baseline energy performance, then those requirements still must be met, even though the application is accepted for credits.

***Please note that this may cause the Application to be ineligible for credits. The Requirements apply to any new, adaptive reuse or rehabilitated development (including those serving elderly and/or physically disabled households).

In addition provide HERS rating documentation as specified in the manual

New Construction - EnergyStar Certification
The development's design meets the criteria for the EnergyStar certification.
Rater understands that before issuance of IRS Form 8609, applicant will obtain and provide EnergyStar Certification to VHDA.

X Rehabilitation -30% performance increase over existing, based on HERS Index
Or Must evidence a HERS Index of 80 or better
Rater understands that before issuance of IRS Form 8609, rater must provide Certification to VHDA of energy performance.

Adaptive Reuse - Must evidence a HERS Index of 95 or better.
Rater understands that before issuance of IRS Form 8609, rater must provide Certification to VHDA of energy performance.

Additional Optional Certifications

I certify that the development's plans and specifications incorporate all items for the certification as indicated below, and I am a certified verifier of said certification. In the event the plans and specifications do not include requirements to obtain the certification, then those requirements still must be met, even though the application is accepted for credits. Rater understands that before issuance of IRS Form 8609, applicant will obtain and provide Certification to VHDA.

FALSE Earthcraft Certification - The development's design meets the criteria to obtain Viridian's EarthCraft Multifamily program Gold certification or higher

FALSE LEED Certification - The development's design meets the criteria for the U.S. Green Building Council LEED green building certification.

FALSE National Green Building Standard (NGBS) - The development's design meets the criteria for meeting the NGBS Silver or higher standards to obtain certification

FALSE Enterprise Green Communities - The developmen's design meets the criteria for meeting the requirements as stated in the Enterprise Green Communities Criteria for this developments construction type to obtain certification.

***Please Note Raters must have completed 500+ ratings in order to certify this form

Signed: [Signature]

Date: 1/11/21

Printed Name: Brian Stanfill

Resnet Provider Agency
MaGrann Associates

RESNET Rater
[Signature]
Signature

Provider Contact and Phone/Email Doug McCleery, 856-813-8758, DougMcCleery@magrann.com

G

Zoning Certification Letter
(MANDATORY)



DATE:

TO: Virginia Housing Development Authority
601 South Belvidere Street
Richmond, Virginia 23220
Attention: JD Bondurant

RE: ZONING CERTIFICATION

Name of Development: _____

Name of Owner/Applicant: _____

Name of Seller/Current Owner: _____

The above-referenced Owner/Applicant has asked this office to complete this form letter regarding the zoning of the proposed Development (more fully described below). This certification is rendered solely for the purpose of confirming proper zoning for the site of the Development. It is understood that this letter will be used by the Virginia Housing Development Authority solely for the purpose of determining whether the Development qualifies for points available under VHDA's Qualified Allocation Plan for housing tax credits.

DEVELOPMENT DESCRIPTION:

Development Address:

Legal Description:

Proposed Improvements:

- New Construction: _____ # Units _____ # Buildings _____ Total Floor Area Sq. Ft.
- Adaptive Reuse: _____ # Units _____ # Buildings _____ Total Floor Area Sq. Ft.
- Rehabilitation: _____ # Units _____ # Buildings _____ Total Floor Area Sq. Ft.

Zoning Certification, cont'd

Current Zoning: _____ allowing a density of _____ units per acre, and the following other applicable conditions: _____

Other Descriptive Information:

LOCAL CERTIFICATION:

Check one of the following as appropriate:

- The zoning for the proposed development described above is proper for the proposed residential development. To the best of my knowledge, there are presently no zoning violations outstanding on this property. No further zoning approvals and/or special use permits are required.
- The development described above is an approved non-conforming use. To the best of my knowledge, there are presently no zoning violations outstanding on this property. No further zoning approvals and/or special use permits are required.

Signature

Shawn Benjaminson

Printed Name

Title of Local Official or Civil Engineer

Phone:

Date:

NOTES TO LOCALITY:

1. Return this certification to the developer for inclusion in the tax credit application package.
2. Any change in this form may result in disqualification of the application.
3. If you have any questions, please call the Tax Credit Allocation Department at (804) 343-5518.

H

Attorney's Opinion
(MANDATORY)

January 15, 2021

TO: Virginia Housing Development Authority
601 South Belvidere Street
Richmond, Virginia 23220-6500

RE: 2021 Tax Credit Reservation Request

Name of Development: Shockoe Hill Apartments
Name of Owner: Shockoe I Apartment VA LP

Gentlemen:

This undersigned firm represents the above-referenced Owner as its counsel. It has received a copy of and has reviewed the completed application package dated January 15, 2021 (of which this opinion is a part) (the "Application") submitted to you for the purpose of requesting, in connection with the captioned Development, a reservation of low income housing tax credits ("Credits") available under Section 42 of the Internal Revenue Code of 1986, as amended (the "Code"). It has also reviewed Section 42 of the Code, the regulations issued pursuant thereto and such other binding authority as it believes to be applicable to the issuance hereof (the regulations and binding authority hereinafter collectively referred to as the "Regulations").

Based upon the foregoing reviews and upon due investigation of such matters as it deems necessary in order to render this opinion, but without expressing any opinion as to either the reasonableness of the estimated or projected figures or the veracity or accuracy of the factual representations set forth in the Application, the undersigned is of the opinion that:

1. It is more likely than not that the inclusion in eligible basis of the Development of such cost items or portions thereof, as set forth in Sections O.1. (Contractor Cost)(Hard Cost tab) and O.2. (Owner Costs)(Owners Costs tab) of the Application form, complies with all applicable requirements of the Code and Regulations.
2. The calculations (a) of the Maximum Allowable Credit available under the Code with respect to the Development in Section P (Eligible Basis tab) of the Application form and (b) of the estimated Qualified Basis of each building in the Development in Section P (Eligible Basis tab) of the Application form comply with all applicable requirements of the Code and regulations, including the selection of credit type implicit in such calculations.
3. The appropriate type(s) of allocation(s) have been requested in Section B (Request Info tab) of the Application form.
4. The information set forth in Section L (Unit Details tab) of the Application form as to proposed rents satisfies all applicable requirements of the Code and Regulations.
5. The site of the captioned Development is controlled by the Owner, as identified in Section C (Ownership Info tab) of the Application, for a period of not less than four (4) months beyond the application deadline, as described in Section D (Site Control)(Site & Seller tab).

ATTORNEY'S OPINION LETTER, continued

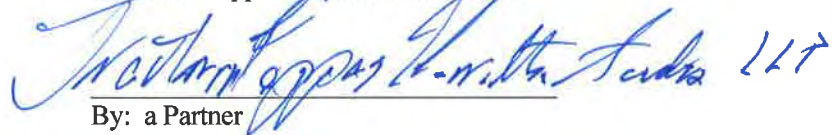
6. The type of the nonprofit organization involved in the Development is an organization described in Code Section 501(c)(3) or 501(c)(4) and exempt from taxation under Code Section 501(a), whose purposes include the fostering of low-income housing.
7. The nonprofit organizations' ownership interest in the development is as described in Section G (Non Profit tab) of the Application form.
8. It is more likely than not that the representations made under Section F (Rehab Info tab) of the Application form as to the Development's compliance with or exception to the Code's minimum expenditure requirements for rehabilitation projects are correct.
9. After reasonable investigation, the undersigned has no reason to believe that the representations made under Section F.2. (Ten-Year Rule For Acquisition Credits)(Rehab Info tab) of the Application form as to the Development's compliance with or eligibility for exception to the ten-year "look-back rule" requirement of Code §42(d)(2)(B) are not correct.

Finally, the undersigned is of the opinion that, if all information and representations contained in the Application and all current law were to remain unchanged, upon compliance by the Owner with the requirements of Code Section 42(h)(1)(E), the Owner would be eligible under the applicable provisions of the Code and the Regulations to an allocation of Credits in the amount(s) requested in the Application.

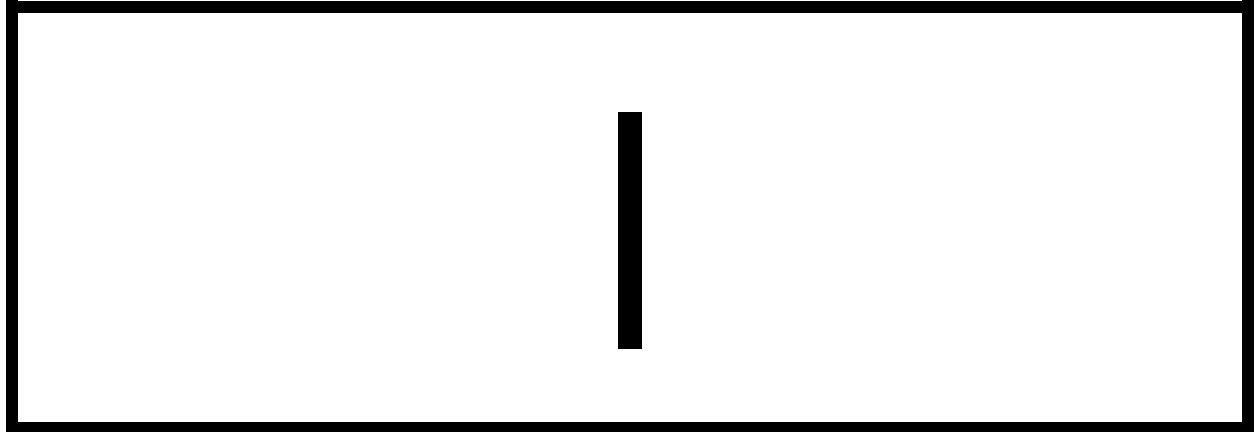
This opinion is rendered solely for the purpose of inducing the Virginia Housing Development Authority ("VHDA") to issue a reservation of Credits to the Owner. Accordingly, it may be relied upon only by VHDA and may not be relied upon by any other party for any other purpose.

This opinion was not prepared in accordance with the requirements of Treasury Department Circular No. 230. Accordingly, it may not be relied upon for the purpose of avoiding U.S. Federal tax penalties or to support the promotion or marketing of the transaction or matters addressed herein.

Troutman Pepper Hamilton Sanders LLP

 217

By: a Partner



Nonprofit Questionnaire

(MANDATORY for points or pool)

Not applicable

J

Relocation Plan
Including Unit
Delivery Schedule
(MANDATORY, if tenants are displaced)

RELOCATION PLAN

SHOCKOE HILL APARTMENTS

210 HOSPITAL STREET

RICHMOND, VA

A. Project Summary

1. Current Demographics

The property is located at 210 Hospital Street, Richmond VA 23219. The property is an existing multifamily property that will undergo extensive renovations in 2019. The subject is an age-restricted community catering to the elderly comprises a 3 story building of 113 section 8/LIHTC in Shockoe I and a separate single story building of 12 units in Shockoe III that are both proposed for renovation with LIHTC equity (41 studios, 84 one-bedrooms). This Relocation Plan has been developed due to renovations of the property which is scheduled to start after closing of the 221(d)(4) FHA insured loan and be completed no later than 12 months after endorsement.

B. RELOCATION DESTINATION

The renovation of individual units is being planned as an in-place rehab with temporary interruption to the tenants. We are expecting the bulk of the work in each unit to take ~2 days. During this time period tenant will not be able to stay in their unit during the day while construction is taking place. Tenant will be allowed to return to their unit in the evening.

We will meet with each tenant at least one (1) week prior to starting construction on that floor and discuss each tenant's needs. We will go over the plan on having the tenant's belongings packed and stored during the time that the renovation is taking place.

Should unforeseen conditions occur and the tenant is unable to return to their apartment at the end of the day, safe accommodations will be provided to the affected tenant(s) at a nearby hotel.

In the unlikely the tenant will be going to a hotel, we will let each tenant know the anticipated scheduled departure date at least one week prior to the check in. We will schedule a day to come pack the tenant belongings at least two days prior to leaving the unit. Once the tenant is



placed in a hotel we will let the tenant know at least one (1) day in advance of the return to unit date.

Moving services will be made available to the tenants. Each resident will be given the option of receiving packing assistance. If a resident prefers to pack their own personal possessions, they will be provided with packing supplies.

In the unlikely event hotel accommodations are required and a tenant is unable to go to hotel due to medical or such other similar circumstances, we will transfer the tenant to a completed unit. We will provide the tenant with advance notice and help tenant with packing all their belongings and furniture and move all tenants' items once schedule is confirmed with tenant.

The scope of work does anticipate having workers coming back into occupied units to perform punch list items. Such work will not require any tenants to be relocated and will be only be for a few hours at a time. We will provide tenant with at least 24 hours advance notice. In those scenarios, the workers will enter the unit in the morning to perform the tasks assigned and by the end of the day when they leave the unit will be restored to the full use of the tenants.

C. TEMPORARY DISRUPTION OF TENANTS

1. Tenant Notice

In preparation of the renovation, the owner will conduct a meeting to notify the tenants of the plans for in-place rehab. Tenants will be notified that they should not move or contact a mover, because they would risk being held responsible for these cost and/or forfeit benefits.

Each tenant will be given a packet of information that will include pertinent information relating to the hours of disruption. Every attempt will be made to keep the tenants informed and to answer any questions that they may have.

We will request that each tenant complete the attached Tenant Questionnaire, and we will seek to provide assistance based on the specific individual needs.

D. TENANT RELOCATION BENEFITS

1. Covered Cost

The owner will pay for all packing and moving (should it be applicable) costs including the packing expenses if needed, as well as all housing costs. The owner will also provide for a daily



food allowance of \$30 per person or provide access to a catering service for such displaced tenants. These costs will be paid directly to the third party such as moving company, hotel providing housing, caterer etc. These costs will not be paid on behalf of anyone that moves prior to the coordination efforts of the Relocation Specialist or due to Eviction for Cause.

2. Advisory Services

The staff will contact each person who is affected by the project to discuss his/her needs, preferences, concerns, and to answer questions. They will also provide information about the project and any benefits the tenant may be eligible for; as applicable to the tenants' circumstances.

E. RELOCATION SERVICES

1. Transportation

Renovation of the building will be done in phases. The Relocation Specialist who will be overseeing tenant concerns during the time of disruption will be able to provide the necessary supportive services that may be required. If off site housing is used and there is a need, transportation will be provided to the tenant via taxi, company personnel or Ambulate service as needed.

2. Communication

Each tenant will be given written information outlining the process and will be given the contact information to the Relocation Specialist. The tenants requiring special assistance will be identified and will be provided assistance in a non-discriminatory manner.

F. RELOCATION BUDGET

The project is currently projecting a total relocation budget of \$312,500 for the project.

Relocation Staff	Salaried	\$62,500
Moving Expenses (packing, storage, host units if applicable)	\$2,000/unit	\$250,000
Total		\$312,500



H. RELOCATION SPECIALIST CONTACT INFO

Tenant Signature

Print Name

Title

Signature

Date



CAPITAL

REALTY GROUP

Tenant Questionnaire

Tenant Name: _____ Apartment No: _____

Telephone No: Home: _____ Cell: _____

Contact info in case of emergency: Name _____ Relationship: _____

Telephone No: Phone: _____ Cell: _____

Medical:

Do you have any outside agency whom you are receiving any services or care? Y/N _____

Name of Agency: _____

Services provided: _____

Contact Person info: _____

Are you receiving any medical or pharmaceutical services or deliveries that you will need during your stay in the hotel? Y/N: _____ Name of provider _____

Contact info: _____

Please describe any medical or delivery needs that will be required to arrange during your hotel stay. _____

Activities:

Are you participating in any activities such as Day Care/Therapy/Scheduled Dr. Visits? Y/N _____

Will the transfer to the hotel impact any of those services or transportation needs? Y/N _____

Please describe the arrangements that will be necessary during the hotel stay, such as coordinating transportation, setting up a change in address for any medical services, arranging transportation with Day care or other providers:

Diet:

Do you have any special dietary needs? Y/N _____ if yes, describe the tenants needs and how they are currently being accommodated? _____

Notes: _____

Completed By: _____

Date: _____

Tenant Signature: _____

Print Name: _____



Packing Inventory tracking List

Tenant Name: _____ Apartment No: _____

Telephone No: Home: _____ Cell: _____

Date of Departure: _____ Expected Return Date: _____

Number of boxes placed in Storage: _____

Loaded	Un-Loaded	Box #	Contents	Room
<input type="checkbox"/>	<input type="checkbox"/>			
<input type="checkbox"/>	<input type="checkbox"/>			
<input type="checkbox"/>	<input type="checkbox"/>			
<input type="checkbox"/>	<input type="checkbox"/>			
<input type="checkbox"/>	<input type="checkbox"/>			
<input type="checkbox"/>	<input type="checkbox"/>			
<input type="checkbox"/>	<input type="checkbox"/>			
<input type="checkbox"/>	<input type="checkbox"/>			
<input type="checkbox"/>	<input type="checkbox"/>			

List any fixtures such as ceiling fans, wall paintings, and wall hung mirrors that will be left in unit during renovation: _____

Notes: _____

Completed By: _____

Tenant Signature: _____

Date: _____

Print Name: _____



Tenant Consent & Release Acknowledgment

Tenant Name: _____ Apartment No: _____

Release of claims - to be prepared by a Lawyer.

Tenant signature:



Tenant Move out Notice.

Tenant Name: _____

Apartments: _____

Dear: _____

Please be advised that we are planning to start construction in your apartment on _____.

Packing:

We will deliver packing supplies to your unit on _____, and will have personnel available to help you pack. Please note that the Kitchen cabinets, Refrigerator, Stove and all closets will be replaced and therefore must be completely emptied. All furniture and large items can stay in the unit during the construction. You can contact [NAME AND PHONE NUMBER] for any packing help needed.

We will take an inventory of the boxes being placing into storage. Upon returning from the hotel we will ask you to sign that all items have been returned.

If any items are damaged or missing please reach out to the Service Coordinator and will be addressed promptly.

Reservations:

Hotel reservations have been made for you at the [HOTEL INFO]. Your reservations has been scheduled for _____



Should you have any issues or concerns while staying at the hotel please speak to the front desk or contact our Service Coordinator _____ at _____. You may also contact [NAME AND PHONE NUMBER].

Food

The hotel provides a daily continental Breakfast between the hours of 7 – 10 am. We will provide you \$30 per day for each Hotel occupant to pay for daily Lunch a Dinner. Attached with this notice is a list of food providers that will deliver food to the Hotel and their menus.

General

We will be proving Transportation to the hotel at _____. If you would like to leave at a different time, Please contact the service Coordinator to arrange for a different time or if you have any special transportation needs.

*****Please make sure to let the service coordinator know if you require help to change your transportation for medical services or appointments etc. *****

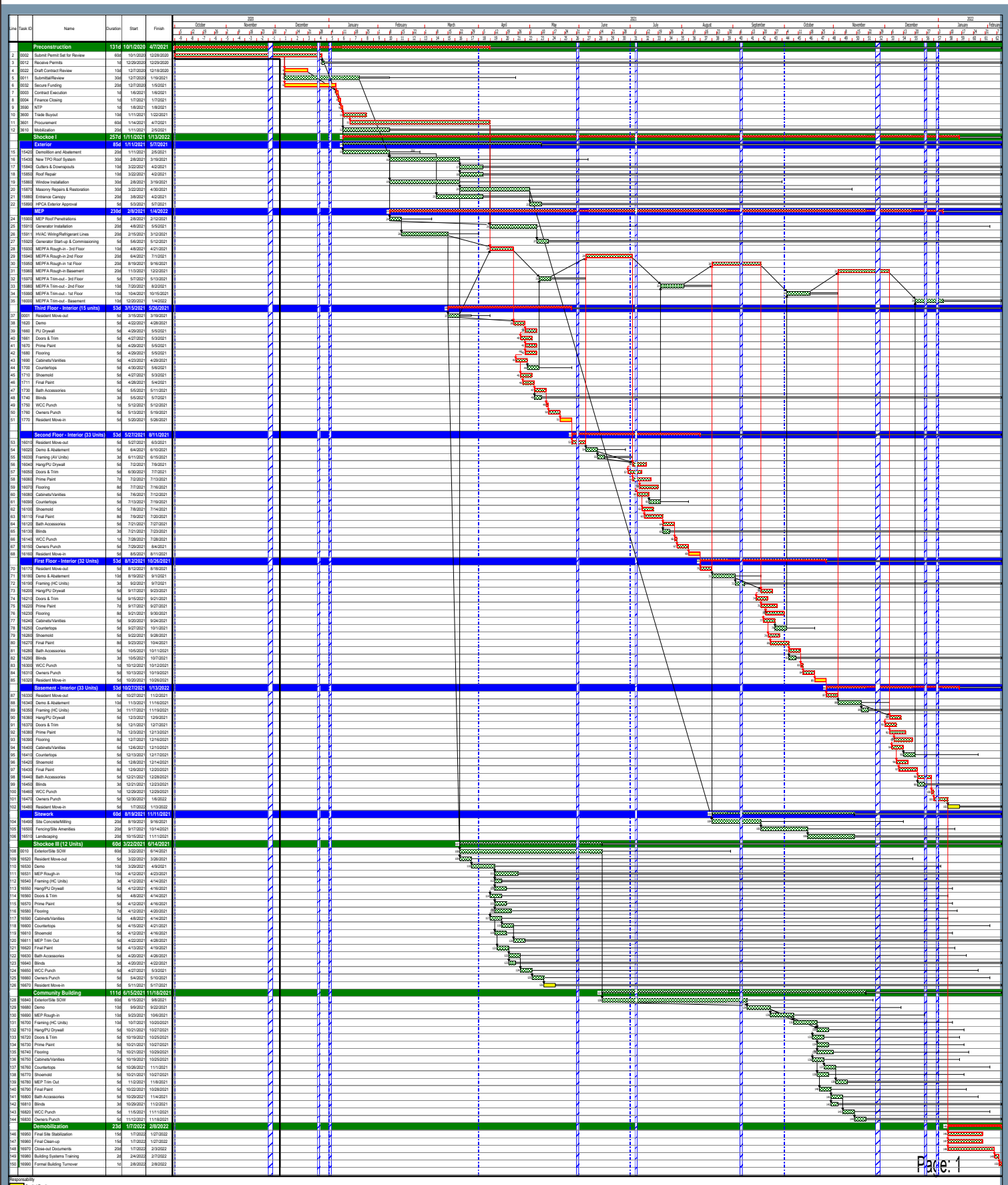
We will let you know when the unit will be completed and schedule your return to your apartment. We expect the duration of the work will be 1-2 weeks.

We aim to make this process as easy as possible and hope that you enjoy the stay at the Hotel. Should you have any issues that can't be resolved by the service coordinator please contact the main office at [PHONE NUMBER].

Sincerely,

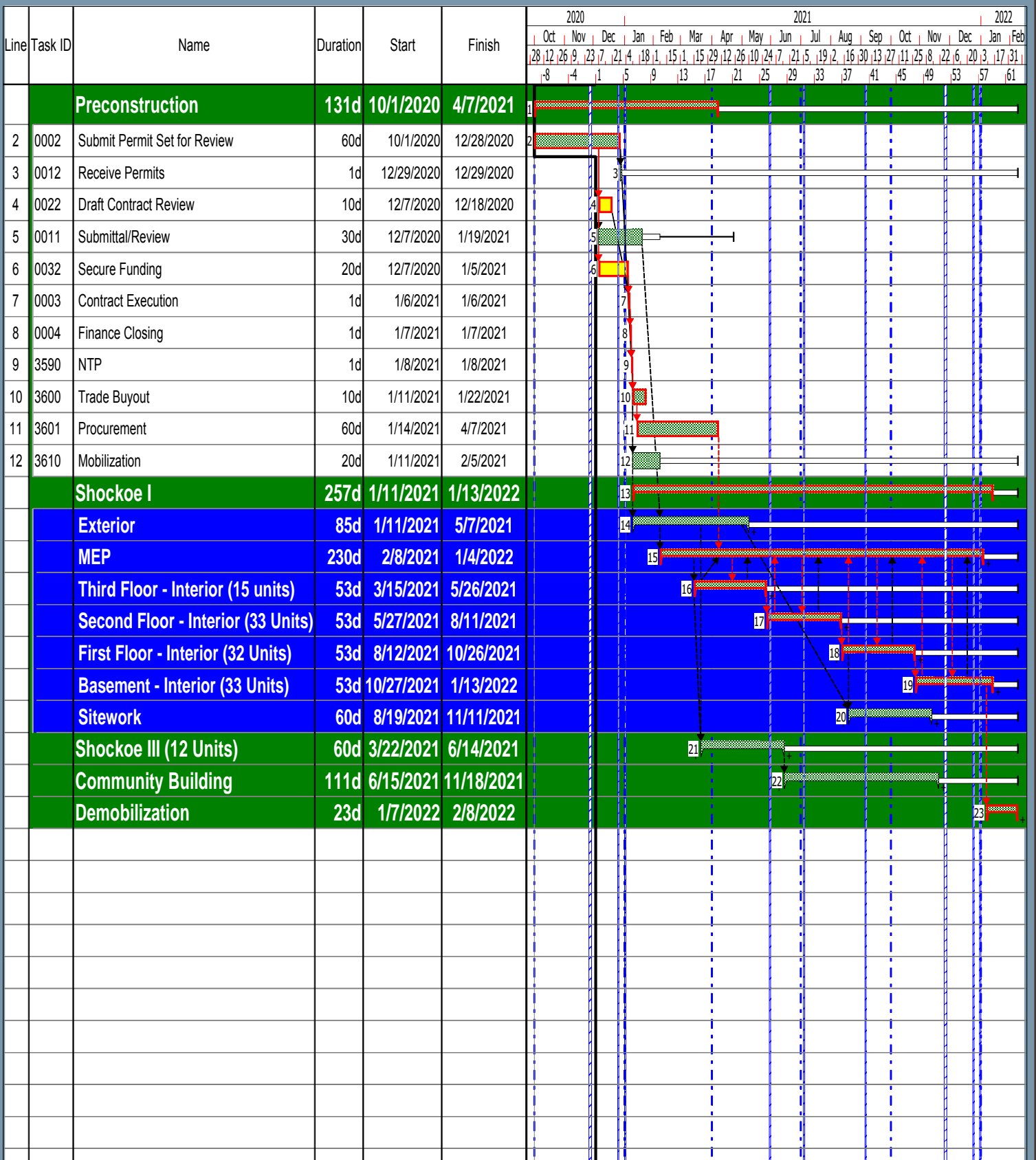
Service Coordinator/ Relocation Specialist






Shockoe Hill - Contract Schedule

Start Date: 10/1/2020
 Finish Date: 2/8/2022
 Data Date: 10/1/2020
 Run Date: 12/4/2020



Responsibility
 Capital Realty



Shockoe Hill - Contract Schedule

Start Date: 10/1/2020
 Finish Date: 2/8/2022
 Data Date: 10/1/2020
 Run Date: 12/4/2020

K

Documentation of
Development Location

K.1

Revitalization Area
Certification



ABOUT PD&R

RESEARCH & PUBLICATIONS

DATA SETS

INITIATIVES

QUICK LINKS

EVENTS



2020 and 2021 Small DDAs and QCTs

210 Hospital Street Richmond, VA

Go

Select a State

Select a County

Go

Map Options : Clear | Reset | Full Screen

QCT Legend:

Tract Outline



LIHTC Project



2020 Qualified Census Tracts

SADDA Legend:

FMR Boundary

ZCTA Boundary

2020 Small DDA

Part DDA

Non Metro DDA

Hide the overview

The 2020 Qualified Census Tracts (QCTs) and Difficult Development Areas (DDAs) are effective January 1, 2020. The 2020 designations use data from the 2010 Decennial census. The designation methodology is explained in the federal Register notice published September 25, 2019

Map Options

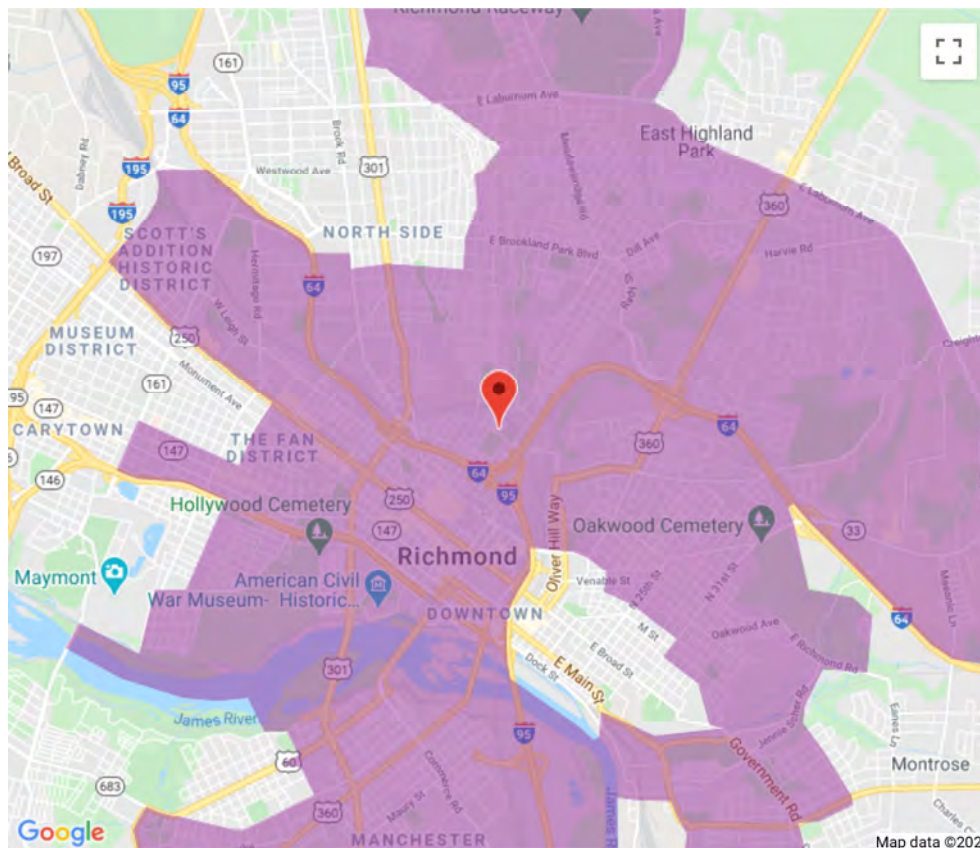
13 Current Zoom Level

- Show Difficult Development Areas (Zoom 7+)
- Color QCT Qualified Tracts (Zoom 7+)
- Show Tracts Outline (Zoom 11+)
- Show FMR Outlines (Zoom 4+)
- Show LIHTC Projects (Zoom 11+)

Click here for full screen map

Select Year

- 2021
- 2020



◀ 1.4K

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- Delegations of Authority and Order of Succession
- Events
- HUD at 50
- HUD Secretary's Awards
- PD&R Careers

Initiatives

- Aging Research and Resources
- Public Health Research and Resources
- Regulatory Barriers Clearinghouse

Research

- Case Studies
- Data Sets
- Periodicals
- Regulatory Barriers Clearinghouse
- Reports
- The Edge

Reference

- [Bibliographic Database](#)
- [Data Sets Reference Guide](#)
- [Guidelines for Preparing a Report for Publication](#)
- [HUD Historical Timeline](#)
- [Programs of HUD](#)

Resources

- [Disaster Recovery PD&R Toolkit](#)
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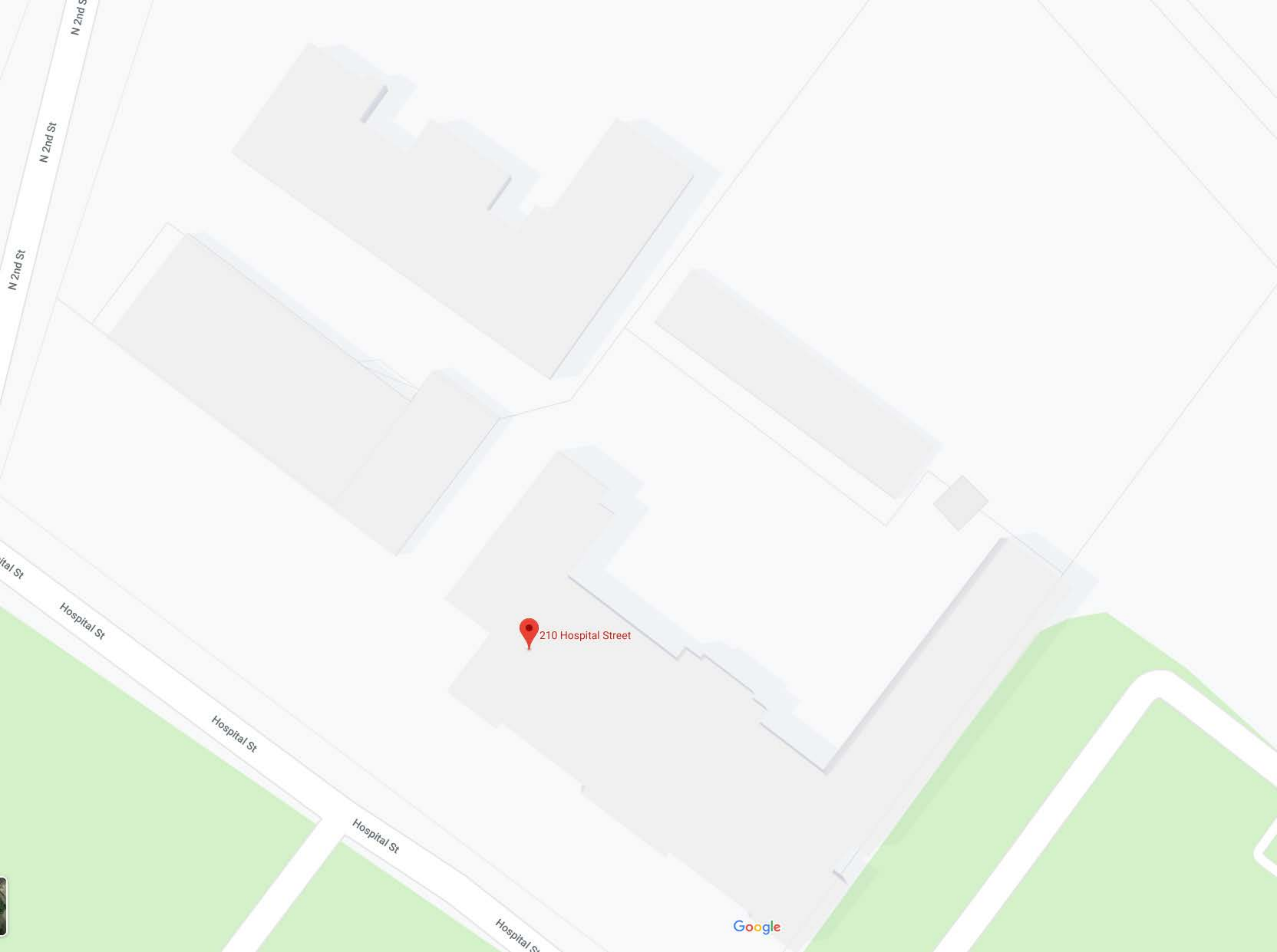
P.O. Box 23268, Washington, DC 20026-3268

Toll Free: 1-800-245-2691 **TDD:** 1-800-927-7589

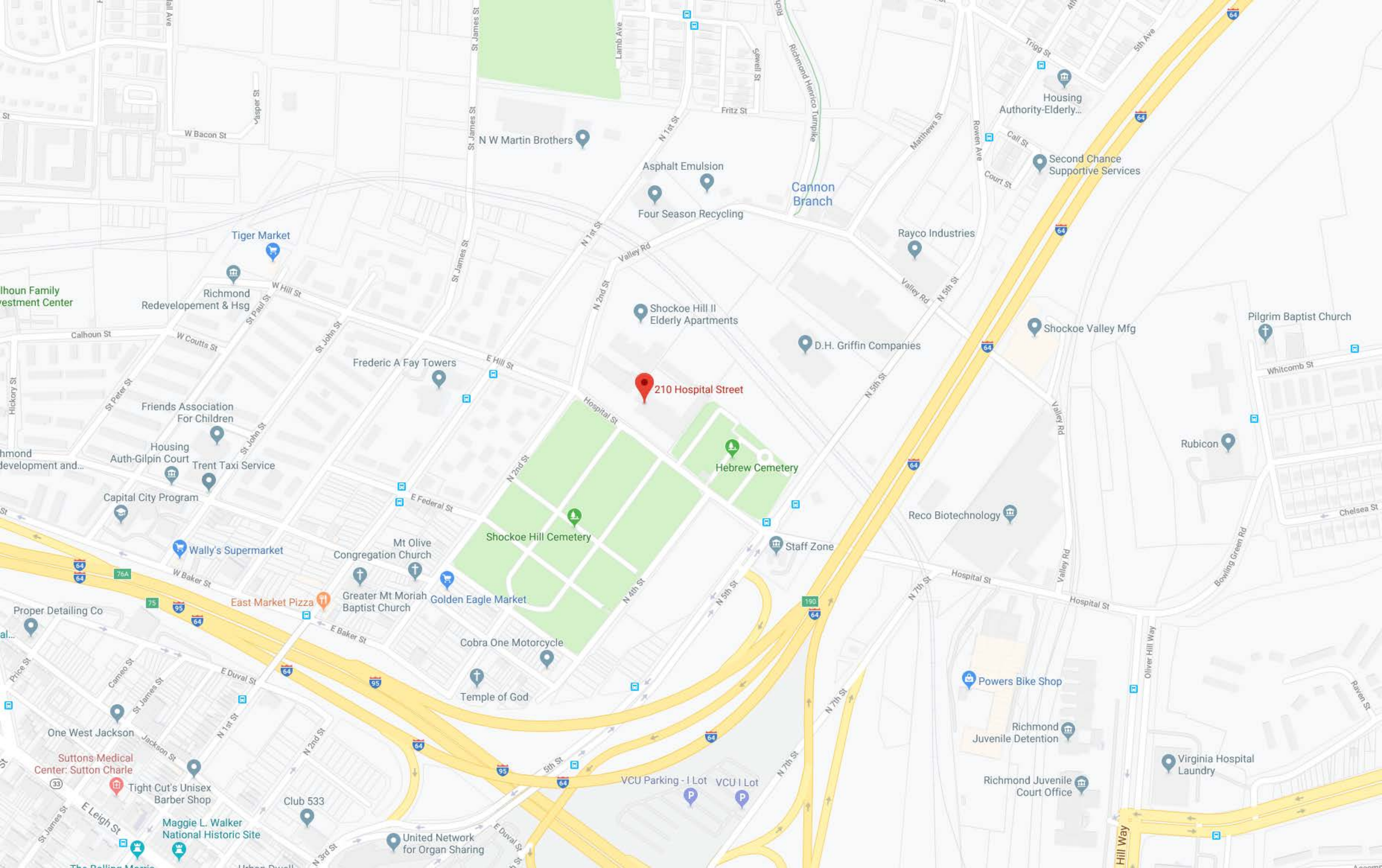
Local: 1-202-708-3178 **Fax:** 1-202-708-9981

K.2

Location Map



210 Hospital Street



210 Hospital Street

Shockoe Hill Cemetery

Hebrew Cemetery

Cannon Branch

Richmond Redevelopment & Hsg

Tiger Market

Friends Association For Children

Housing Auth-Gilpin Court

Trent Taxi Service

Capital City Program

Wally's Supermarket

East Market Pizza

Mt Olive Congregation Church

Greater Mt Moriah Baptist Church

Golden Eagle Market

Cobra One Motorcycle

Temple of God

Asphalt Emulsion

Four Season Recycling

Shockoe Hill II Elderly Apartments

D.H. Griffin Companies

Rayco Industries

Second Chance Supportive Services

Shockoe Valley Mfg

Rubicon

Pilgrim Baptist Church

Reco Biotechnology

Staff Zone

Powers Bike Shop

Richmond Juvenile Detention

Richmond Juvenile Court Office

Virginia Hospital Laundry

United Network for Organ Sharing

Maggie L. Walker National Historic Site

Tight Cut's Unisex Barber Shop

Club 533

VCU Parking - I Lot

VCU I Lot

Suttons Medical Center: Sutton Charle

One West Jackson

St James St

Price St

Campeo St

St James St

St James St

St James St

St James St

St James St

St James St

St James St

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K.3

Surveyor's Certification of
Proximity to Public
Transportation



October 11, 2019

Virginia Housing Development Authority
601 South Belvidere Street
Richmond, VA 23220-6500

Re: **Surveyor's Certificate of Proximity to Transportation**

To Whom It May Concern:

Attached please find the completed Surveyor's Certificate of Proximity to Transportation for Shockoe I Apartments LLC located at 200, 206, 210 and 212 Hospital Street in Richmond, VA.

If you should have any questions, please feel free to call.

Charles H. Smith, L.S., P.L.S.
Private Group Survey Manager
C: (804) 240-1558
Chuck.Smith@GSCSurveying.com



10-11-20

Surveyor's Certification of Proximity to Transportation

DATE: October 11, 2020

TO: Virginia Housing Development Authority
601 South Belvidere Street
Richmond, VA 23220-6500

RE: 2020 Tax Credit Reservation Request

Name of Development: Shockoe I Apartments LLC

Name of Owner: Shockoe I Apartments LLC

Gentlemen:

This letter is submitted to you in support of the Owner's Application for Reservation of Low Income Housing Tax Credits under Section 42 of the Internal Revenue Code of 1986, as amended.

Based upon due investigation of the site and any other matters as it deemed necessary this firm certifies that: the main street boundary entrance to the property is within:

- 2,640 feet or 1/2 mile of the nearest access point to an existing commuter rail, light rail or subway station; **or**
- 1,320 feet or 1/4 mile of the nearest access point to an existing public bus stop.



10-11-20

GSC Surveying, Inc.

Firm Name

By: [Signature]

Its: Private Group Survey Manager

Title



L

PHA/Section 8 Notification
Letter



U. S. Department of Housing & Urban Development

Richmond Field Office
600 E. Broad Street, 3rd Floor
Richmond, VA 23219
1-800-842-2610

June 6, 2014

Ms. Valerie Fulke
Divisional Manager
Main Street Realty, Inc.
1553 E. Main Street
Richmond, VA 23219

Dear Ms. Fulke:

SUBJECT: Section 8 Housing Assistance Payments Contract
Shockoe Hill Elderly I - VA36H027238

We have executed the above referenced Section 8 Housing Assistance Payments (HAP) Renewal Contract for the period June 2, 2014 to June 1, 2034. The contract reflects funding commitment through June 30, 2034.

Enclosed is a copy of the executed HAP contract for retention in your files. If you have any questions please contact Denise Greene, Project Manager at 804-822-4851.

Sincerely,

A handwritten signature in blue ink, appearing to read "Uche A. Oluku".

Uche A. Oluku
Director
Multifamily Program Center

Enclosure

NOTIFICATION OF SECTION 8 CONTRACT FUNDING

(X)Renewal ()Amend Rent/BA Only

Section 8 Contract No: VA36H027243 **Expires on:** 06/01/2014
Owner Name: SHOCKOE HILL ASSOC L.P.
Project Name: Shockoe Hill Elderly I
Project Location: 210 Hospital St. RICHMOND CITY, VA 23219-1139
FHA Project Number: _____

FUNDING

BUDGET AUTHORITY INCREASE: \$793,200.00
Contract/Amendment Effective Date: 06/02/2014 **Expiration Date:** 06/01/2034

For HUD Use Only
VA36H027243-14I **PBR** **\$793,200.00**

HUD Notice to Owner executed by:
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

By: 
(Signature)
Uche Oluku
(Printed Name)
MF Housing Director
(Official Title)
6/4/2014
(Date)

NOTIFICATION OF SECTION 8 GROSS RENTS

**IDENTIFICATION OF UNITS (CONTRACT UNITS) BY SIZE
AND APPLICABLE CONTRACT RENTS**

Section 8 Number: VA36H027243

Rent Effective Date: 07/01/2014


Project Number:

Number of Contract Units	Number of Bedrooms	Contract Rent	Utility Allowance	Gross Rent
41	0	\$780.00	\$0.00	\$780.00
72	1	\$800.00	\$0.00	\$800.00

SIGNATURES

OWNER

Contract Administrator
United States of America
Department of Housing and
Urban Development (HUD)



(Signature)
Uche Oluku

(Printed Name)
MF Housing Director

(Official Title)
6/6/2014

(Date)



(Signature)
David S. White

(Printed Name)
Manager of G.P.

(Official Title)
6.6.14

(Date)

NOTE: Amend rents are affected by Contract Administrator notice to the Owner on Revised Exhibit A to specify adjusted contract rent amounts in accordance with Section 6b of the Renewal Contract.

Owner/Agent signature on this Notification is confirmation to the Contract Administrator that revised rents have been received.

U.S. Department of Housing and Urban Development

Office of Housing

Project-based Section 8

HOUSING ASSISTANCE PAYMENTS

BASIC RENEWAL CONTRACT

MULTI-YEAR TERM

PREPARATION OF CONTRACT

Reference numbers in this form refer to notes at the end of the contract text.
These endnotes are instructions for preparation of the Basic Renewal Contract.
The instructions are not part of the Renewal Contract.

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PARTIES TO RENEWAL CONTRACT

Name of Contract Administrator⁴

U.S. Department of Housing and Urban Development

Address of Contract Administrator

600 East Broad Street

3rd Floor

Richmond, Virginia 23219

Name of Owner⁵

SHOCKOE HILL ASSOC L.P.

Address of Owner

1559 E Main St

Richmond, VA 23223

2 TERM AND FUNDING OF RENEWAL CONTRACT

a The Renewal Contract begins on 06/02/2014⁶
and shall run for a period of 20⁷ years.

b Execution of the Renewal Contract is an obligation by HUD of
\$793,200.00⁸, an amount sufficient to
provide housing assistance payments for approximately 12⁹
months of the first annual increment of the Renewal Contract term.

- c HUD will provide additional funding for the remainder of the first annual increment and for subsequent annual increments, including for any remainder of such subsequent annual increments, subject to the availability of sufficient appropriations. When such appropriations are available, HUD will obligate additional funding and provide the Owner written notification of (i) the amount of such additional funding, and (ii) the approximate period of time within the Renewal Contract term to which it will be applied.

3 DEFINITIONS

ACC. Annual contributions contract.

Anniversary. The annual recurrence of the date of the first day of the term of the Renewal Contract.

Contract rent. The total monthly rent to owner for a contract unit, including the tenant rent (the portion of rent to owner paid by the assisted family).

Contract units. The units in the Project which are identified in Exhibit A by size and applicable contract rents.

Fifth year anniversary. The Renewal Contract annual anniversary that falls at expiration of each 5-year period of the Renewal Contract term.

Fifth year comparability adjustment. An adjustment of contract rents by the contract administrator at the Fifth Year Anniversary. The contract rent for each unit size is set at comparable rent as shown by comparability analysis.

HAP contract. A housing assistance payments contract between the Contract Administrator and the Owner.

HUD. The United States Department of Housing and Urban Development.

HUD requirements. HUD regulations and other requirements, including changes in HUD regulations and other requirements during the term of the Renewal Contract.

MAHRA. The Multifamily Assisted Housing Reform and Affordability Act of 1997 (Title V of Public Law No.105-65, October 27, 1997, 111 Stat. 1384), as amended.

Mid-term comparability adjustment. An adjustment of contract rents by the contract administrator within each 5-year period of the Renewal Contract term (in addition to the comparability analysis and adjustment at the Fifth Year Anniversary). The contract rent for each unit size is set at comparable rent as shown by comparability analysis.

OCAF. An operating cost adjustment factor established by HUD.

PHA. Public housing agency (as defined and qualified in accordance with the United States Housing Act of 1937. 42 U.S.C. 1437 et seq.).

Project. The housing described in section 1 of the Renewal Contract.

Renewal Contract. This contract, including applicable provisions of the Expiring Contract (as determined in accordance with section 5 of the Renewal Contract).

Section 8. Section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f).

4 RENEWAL CONTRACT

a Parties

- (1)** The Renewal Contract is a housing assistance payments contract ("HAP Contract") between the Contract Administrator and the Owner of the Project (see section 1).
- (2)** If HUD is the Contract Administrator, HUD may assign the Renewal Contract to a Public Housing Agency ("PHA") for the purpose of PHA administration of the Renewal Contract (during the term of the annual contributions contract ("ACC") between HUD and the PHA). Notwithstanding such assignment, HUD shall remain a party to the provisions of the Renewal Contract that specify HUD's role pursuant to the Renewal Contract, including such provisions of Section 9 (HUD requirements), Section 10 (statutory changes during term) and Section 11 (PHA default), of the Renewal Contract.

b Statutory authority

The Renewal Contract is entered pursuant to Section 8 of the United States Housing Act of 1937 (42 U.S.C 1437f), and Section 524 of MAHRA.

c Expiring Contract

Previously, the Contract Administrator and the Owner had entered into a HAP Contract ("expiring contract") to make Section 8 housing assistance payments to the Owner for eligible families living in the Project. The term of the expiring contract will expire prior to the beginning of the term of the Renewal Contract.

d Purpose of Renewal Contract

- (1) The purpose of the Renewal Contract is to renew the expiring contract for an additional term. During the term of the Renewal Contract, the Contract Administrator shall make housing assistance payments to the Owner in accordance with the provisions of the Renewal Contract.
- (2) Housing assistance payments shall only be paid to the Owner for contract units occupied by eligible families leasing decent, safe and sanitary units from the Owner in accordance with statutory requirements, and with all HUD regulations and other requirements. If the Contract Administrator determines that the Owner has failed to maintain one or more contract units in decent, safe and sanitary condition, and has abated housing assistance payments to the Owner for such units, the Contract Administrator may use amounts otherwise payable to the Owner pursuant to the Renewal Contract for the purpose of relocating or rehousing assisted residents in other housing.

e Contract units

The Renewal Contract applies to the Contract units.

5 EXPIRING CONTRACT - PROVISIONS RENEWED

- a Except as specifically modified by the Renewal Contract, all provisions of the Expiring Contract are renewed (to the extent such provisions are consistent with statutory requirements in effect at the beginning of the Renewal Contract term).
- b All provisions of the Expiring Contract concerning any of the following subjects are not renewed, and shall not be applicable during the renewal term:

- (1) Identification of contract units by size and applicable contract rents;
 - (2) The amount of the monthly contract rents;
 - (3) Contract rent adjustments; and
 - (4) Project account (sometimes called "HAP reserve" or "project reserve") as previously established and maintained by HUD pursuant to former Section 8(c)(6) of the United States Housing Act of 1937 (currently Section 8(c)(5) of the Act, 42 U.S.C. 1437f(c)(5)). Section 8(c)(5) does not apply to the Renewal Contract, or to payment of housing assistance payments during the Renewal Contract term.
- c The Renewal Contract includes those provisions of the Expiring Contract that are renewed in accordance with this section 5.

6 CONTRACT RENT

a Initial contract rents

At the beginning of the Renewal Contract term, and until contract rents for units in the Project are adjusted in accordance with section 6b, the contract rent for each bedroom size (number of bedrooms) shall be the initial contract rent amount listed in Exhibit A of the Renewal Contract.

b Contract rent adjustments

(1) OCAF or Budget-Based Rent Adjustments

- (a) Except as provided in section 6b(2) below (concerning comparability adjustments at each Fifth Year Anniversary and discretionary comparability adjustments within each five-year term), during the term of the Renewal Contract the Contract Administrator shall annually, on the anniversary of the Renewal Contract, adjust the amounts of the monthly contract rents in accordance with HUD requirements by either of the following methods (as determined by the Contract Administrator in accordance with HUD requirements):
 - (i) Using an OCAF; or

- (ii) At the request of the owner, based on the budget for the Project, as approved by the Contract Administrator in accordance with HUD requirements.
- (b) Adjustments by use of the OCAF shall not result in a negative adjustment (decrease) of the contract rents. The OCAF shall not be used for adjustment of rent at each Fifth Year Anniversary (as determined in accordance with section 6b(2)(b) below).

(2) Comparability adjustments

- (a) **Applicability.** This section 6b(2) is applicable only if the contract has been renewed pursuant to Section 524(a) of MAHRA. This section 6b(2) does not apply to a project renewed at exception rents under Section 524(b)(1) of MAHRA (See section 1 of the Renewal Contract).
- (b) **Fifth year adjustment (comparability adjustment at expiration of each 5-year period, if applicable)**
 - (i) This section 6b(2)(b) is only applicable if the term of the Renewal Contract is longer than five (5) years (from the first day of the term specified in section 2a).
 - (ii) At the expiration of each 5-year period of the Renewal Contract term ("Fifth Year Anniversary"), the Contract Administrator shall conduct a comparability analysis of existing contract rents. At such Fifth Year Anniversary of the Renewal Contract, the Contract Administrator shall make any adjustments in the monthly contract rents, as reasonably determined by the Contract Administrator in accordance with HUD requirements, necessary to set the contract rent for each unit size at comparable market rent. Such adjustment may result in a negative adjustment (decrease) or positive adjustment (increase) of the contract rents for one or more unit sizes.
 - (iii) To assist in the redetermination of contract rents at each Fifth Year Anniversary, the Contract Administrator may require that the Owner submit to the Contract Administrator a rent comparability study prepared (at the Owner's expense) in accordance with

HUD requirements.

(c) Mid-term adjustment (discretionary comparability adjustment within 5-year term)

In addition to the comparability analysis and adjustment of contract rents at the Fifth Year Anniversary, HUD may, at HUD's discretion, require or permit the Contract Administrator to conduct a comparability analysis and adjustment of contract rents ("mid-term adjustment"), one more time within each 5-year period of the Renewal Contract term.

(d) Adjusting contract rent

At the time of a fifth year or mid-term comparability adjustment, the Contract Administrator shall make any adjustments in the monthly contract rents, as reasonably determined by the Contract Administrator in accordance with HUD requirements, necessary to set the contract rent for each unit size at comparable rent. Such adjustment may result in a negative adjustment (decrease) or positive adjustment (increase) of the contract rents for one or more unit sizes.

(3) Procedure for rent adjustments during renewal term

- (a)** To adjust contract rents during the term of the Renewal Contract (including an OCAF or budget-based adjustment in accordance with section 6b(1), or a fifth year or midterm adjustment in accordance with section 6b(2)), the Contract Administrator shall give the Owner notice with a revised Exhibit A that specifies the adjusted contract rent amounts.
- (b)** The revised Exhibit A shall specify the adjusted contract rent amount for each bedroom size as determined by the Contract Administrator in accordance with this section. The adjustment notice by the Contract Administrator to the Owner shall specify when the adjustment of contract rent is effective.
- (c)** Notice of rent adjustment by the Contract Administrator to the Owner shall automatically constitute an amendment of the Renewal Contract.

(4) No other adjustments

Except for contract rent adjustments in accordance with this section, there shall not be any other adjustments of the contract rents during the term of the Renewal Contract. Special adjustments shall not be granted.

7 OWNER WARRANTIES

- a The Owner warrants that it has the legal right to execute the Renewal Contract and to lease dwelling units covered by the contract.
- b The Owner warrants that the rental units to be leased by the Owner under the Renewal Contract are in decent, safe and sanitary condition (as defined and determined in accordance with HUD regulations and procedures), and shall be maintained in such condition during the term of the Renewal Contract.

8 OWNER TERMINATION NOTICE

- a Before termination of the Renewal Contract, the Owner shall provide written notice to the Contract Administrator and each assisted family in accordance with HUD requirements.
- b If the Owner fails to provide such notice in accordance with the law and HUD requirements, the Owner may not increase the tenant rent payment for any assisted family until such time as the Owner has provided such notice for the required period.

9 HUD REQUIREMENTS

The Renewal Contract shall be construed and administered in accordance with all statutory requirements, and with all HUD regulations and other requirements, including changes in HUD regulations and other requirements during the term of the Renewal Contract. However, any changes in HUD requirements that are inconsistent with the provisions of the Renewal Contract, including the provisions of Section 6 (contract rent), shall not be applicable.

10 STATUTORY CHANGES DURING TERM

If any statutory change during the term of the Renewal Contract is inconsistent with section 6 of the Renewal Contract, and if HUD determines, and so notifies the Contract Administrator and the Owner, that the Contract Administrator is unable to carry out the provisions of section 6 because of such statutory change, then the Contract Administrator or the Owner may terminate the Renewal Contract upon notice to the other party.

11 PHA DEFAULT

- a** This section 11 of the Renewal Contract applies if the Contract Administrator is a PHA acting as Contract Administrator pursuant to an annual contributions contract ("ACC") between the PHA and HUD. This includes a case where HUD has assigned the Renewal Contract to a PHA Contract Administrator, for the purpose of PHA administration of the Renewal Contract.
- b** If HUD determines that the PHA has committed a material and substantial breach of the PHA's obligation, as Contract Administrator, to make housing assistance payments to the Owner in accordance with the provisions of the Renewal Contract, and that the Owner is not in default of its obligations under the Renewal Contract, HUD shall take any action HUD determines necessary for the continuation of housing assistance payments to the Owner in accordance with the Renewal Contract.

12 EXCLUSION OF THIRD-PARTY RIGHTS

- a** The Contract Administrator does not assume any responsibility for injury to, or any liability to, any person injured as a result of the Owner's action or failure to act in connection with the Contract Administrator's implementation of the Renewal Contract, or as a result of any other action or failure to act by the Owner.
- b** The Owner is not the agent of the Contract Administrator or HUD, and the Renewal Contract does not create or affect any relationship between the Contract Administrator or HUD and any lender to the Owner or any suppliers, employees, contractors or subcontractors used by the Owner in connection with implementation of the Renewal Contract.
- c** If the Contract Administrator is a PHA acting as Contract Administrator pursuant to an annual contributions contract ("ACC") between the PHA and HUD, the Contract Administrator is not the agent of HUD, and the Renewal Contract does not create any relationship between HUD and any suppliers, employees, contractors or subcontractors used by the Contract

Administrator to carry out functions or responsibilities in connection with contract administration under the ACC.

13 WRITTEN NOTICES

- a** Any notice by the Contract Administrator or the Owner to the other party pursuant to the Renewal Contract shall be given in writing.

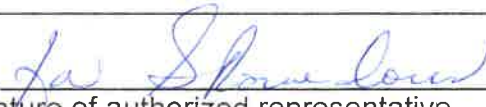
- b** A party shall give notice at the other party's address specified in section 1 of the Renewal Contract, or at such other address as the other party has designated by a contract notice. A party gives a notice to the other party by taking steps reasonably required to deliver the notice in ordinary course of business. A party receives notice when the notice is duly delivered at the party's designated address.

SIGNATURES

Contract Administrator

Name of Contract Administrator (HUD or PHA)

U.S. Department of Housing and Urban Development

By: 
Signature of authorized representative

Uche Oluku, MF Housing Director
Name and official title (Print)

Date: 6/6/2014

U.S. Department of Housing and Urban Development

By: 
Signature of authorized representative

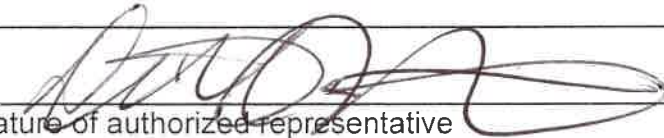
Uche Oluku, MF Housing Director
Name and official title (Print)

Date: 6/6/2014

Owner

Name of Owner (Print)

David S. White

By: 
Signature of authorized representative

David S. White - Manager of G.P.
Name and title (Print)

Date: 6.6.14

EXHIBIT A
IDENTIFICATION OF UNITS (CONTRACT UNITS) BY SIZE
AND APPLICABLE CONTRACT RENTS

Section 8 Number: VA36H027243

Rent Effective Date: 07/01/2014

Project Number:

Number of Contract Units	Number of Bedrooms	Contract Rent	Utility Allowance	Gross Rent
41	0	\$780.00	\$0.00	\$780.00
72	1	\$800.00	\$0.00	\$800.00

NOTE: This Exhibit will be amended by Contract Administrator notice to the Owner to specify adjusted contract rent amounts as determined by the Contract Administrator in accordance with section 6b of the Renewal Contract.

Comments:

M

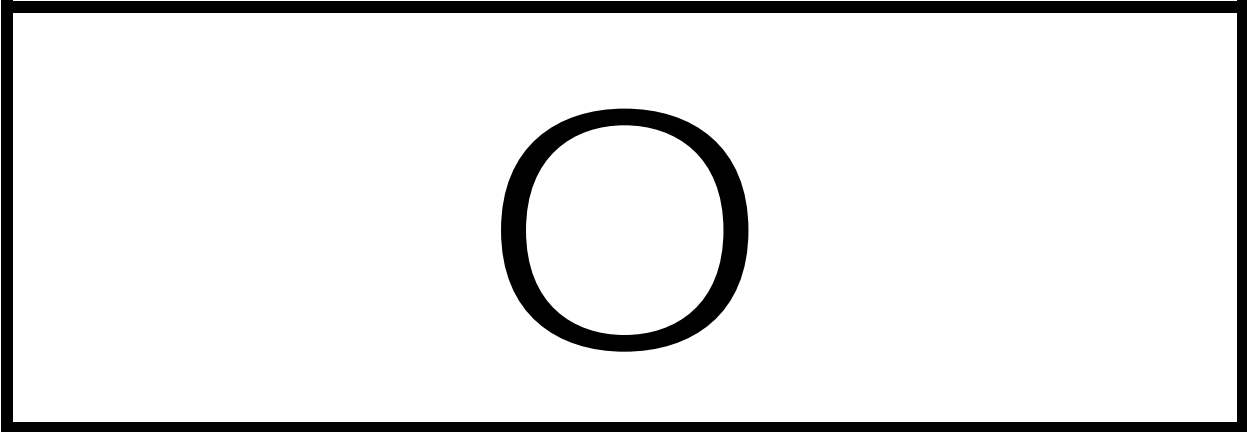
Locality CEO Response
Letter

Not Applicable

N

Homeownership Plan

Not Applicable



O

Plan of Development
Certification Letter

Not Applicable

P

Copies of 8609s to
Certify Developer
Experience and
Partnership agreements



RubinBrown LLP
*Certified Public Accountants
& Business Consultants*

One North Brentwood
Saint Louis, MO 63105

T 314.290.3300
F 314.290.3400

W rubinbrown.com
E info@rubinbrown.com

* * * * *

COUNTRY VILLAGE LLC

Instructions for Filing Form 8609

* * *

Signature. . .

The original form should be signed by an authorized partner where indicated.

Filing. . .

Please file form as soon as possible with:

Dept of the Treasury
Internal Revenue Service
Philadelphia PA 19255-0549

COUNTRY VILLAGE, LLC
 1241 MAIN STREET
 BRIDGEPORT, CT 06604
 FEIN: 45-3133205

First year credit period: Year ended 12/31/2013
 Election to include the following buildings as one project

BIN	Building Address	Credit Allocated per 8609
CT-11-02601	321-339 Colonial Avenue, Waterbury, CT 06704	11,786
CT-11-02601	321-339 Colonial Avenue, Waterbury, CT 06704	26,919
CT-11-02602	18-28 Dorchester Drive, Waterbury, CT 06704	9,282
CT-11-02602	18-28 Dorchester Drive, Waterbury, CT 06704	21,199
CT-11-02603	55-69 Lester Drive, Waterbury, CT 06704	10,215
CT-11-02603	55-69 Lester Drive, Waterbury, CT 06704	23,330
CT-11-02604	31-41 Lester Drive, Waterbury, CT 06704	8,510
CT-11-02604	31-41 Lester Drive, Waterbury, CT 06704	19,436
CT-11-02617	305-319 Dorchester Drive, Waterbury, CT 06704	10,215
CT-11-02617	305-319 Dorchester Drive, Waterbury, CT 06704	23,330
CT-11-02618	208-218 Dorchester Drive, Waterbury, CT 06704	8,357
CT-11-02618	208-218 Dorchester Drive, Waterbury, CT 06704	19,087
CT-11-02619	340-350 Dorchester Drive, Waterbury, CT 06704	11,759
CT-11-02619	340-350 Dorchester Drive, Waterbury, CT 06704	26,857
CT-11-02620	134-144 Dorchester Drive, Waterbury, CT 06704	5,495
CT-11-02620	134-144 Dorchester Drive, Waterbury, CT 06704	12,550
CT-11-02621	347-353 Dorchester Drive, Waterbury, CT 06704	6,804
CT-11-02621	347-353 Dorchester Drive, Waterbury, CT 06704	15,541
CT-11-02622	64-78 Dorchester Drive, Waterbury, CT 06704	11,759
CT-11-02622	64-78 Dorchester Drive, Waterbury, CT 06704	26,857
CT-11-02623	117-135 Lester Drive, Waterbury, CT 06704	12,692
CT-11-02623	117-135 Lester Drive, Waterbury, CT 06704	28,988
CT-11-02624	77-91 Lester Drive, Waterbury, CT 06704	9,309
CT-11-02624	77-91 Lester Drive, Waterbury, CT 06704	21,261
CT-11-02625	130-140 Lester Drive, Waterbury, CT 06704	7,738
CT-11-02625	130-140 Lester Drive, Waterbury, CT 06704	17,672
CT-11-02626	100-110 Lester Drive, Waterbury, CT 06704	7,738
CT-11-02626	100-110 Lester Drive, Waterbury, CT 06704	17,672
CT-11-02627	62-80 Lester Drive, Waterbury, CT 06704	12,692
CT-11-02627	62-80 Lester Drive, Waterbury, CT 06704	28,988
CT-11-02628	40-58 Lester Drive, Waterbury, CT 06704	12,692
CT-11-02628	40-58 Lester Drive, Waterbury, CT 06704	28,988
CT-11-02629	367-381 Colonial Avenue, Waterbury, CT 06704	9,305
CT-11-02629	367-381 Colonial Avenue, Waterbury, CT 06704	21,252
CT-11-02631	289-303 Dorchester Drive, Waterbury, CT 06704	10,987
CT-11-02631	289-303 Dorchester Drive, Waterbury, CT 06704	25,094
TOTAL CREDITS		582,356

COUNTRY VILLAGE, LLC
1241 MAIN STREET
BRIDGEPORT, CT 06604
FEIN: 45-3133205

First year credit period: Year ended 12/31/2014
Election to include the following buildings as one project

BIN	Building Address	Credit Allocated per 8609
CT-11-02605	53-67 Dorchester Drive, Waterbury, CT 06704	10,987
CT-11-02605	53-67 Dorchester Drive, Waterbury, CT 06704	25,094
CT-11-02606	71-85 Dorchester Drive, Waterbury, CT 06704	10,987
CT-11-02606	71-85 Dorchester Drive, Waterbury, CT 06704	25,094
CT-11-02607	89-103 Dorchester Drive, Waterbury, CT 06704	10,987
CT-11-02607	89-103 Dorchester Drive, Waterbury, CT 06704	25,094
CT-11-02608	107-121 Dorchester Drive, Waterbury, CT 06704	10,987
CT-11-02608	107-121 Dorchester Drive, Waterbury, CT 06704	25,094
CT-11-02609	125-139 Dorchester Drive, Waterbury, CT 06704	10,987
CT-11-02609	125-139 Dorchester Drive, Waterbury, CT 06704	25,094
CT-11-02610	141-157 Dorchester Drive, Waterbury, CT 06704	10,848
CT-11-02610	141-157 Dorchester Drive, Waterbury, CT 06704	24,776
CT-11-02611	161-175 Dorchester Drive, Waterbury, CT 06704	10,987
CT-11-02611	161-175 Dorchester Drive, Waterbury, CT 06704	25,094
CT-11-02612	171-191 Dorchester Drive, Waterbury, CT 06704	10,215
CT-11-02612	171-191 Dorchester Drive, Waterbury, CT 06704	23,330
CT-11-02613	193-207 Dorchester Drive, Waterbury, CT 06704	10,215
CT-11-02613	193-207 Dorchester Drive, Waterbury, CT 06704	23,330
CT-11-02614	209 Dorschester Drive & Community Center, Waterbury, CT 06704	10,897
CT-11-02614	209 Dorschester Drive & Community Center, Waterbury, CT 06704	24,888
CT-11-02615	227-241 Dorchester Drive, Waterbury, CT 06704	10,215
CT-11-02615	227-241 Dorchester Drive, Waterbury, CT 06704	23,330
CT-11-02616	253-267 Dorchester Drive, Waterbury, CT 06704	10,215
CT-11-02616	253-267 Dorchester Drive, Waterbury, CT 06704	23,330
CT-11-02630	371-285 Dorchester Drive, Waterbury, CT 06704	10,987
CT-11-02630	371-285 Dorchester Drive, Waterbury, CT 06704	25,094
TOTAL CREDITS		458,156

Low-Income Housing Credit Allocation and Certification

OMB No. 1545-0988

▶ Information about Form 8609 and its separate instructions is at www.irs.gov/form8609.

Part I Allocation of Credit

Check if: Addition to Qualified Basis Amended Form

A Address of building (do not use P.O. box) (see instructions) 321-339 Colonial Avenue Waterbury, CT 06704 C Name, address, and TIN of building owner receiving allocation Country Village, LLC 1241 Main Street Bridgeport, CT 06604 TIN ▶ 45-3133205	B Name and address of housing credit agency Connecticut Housing Finance Authority 999 West Street Rocky Hill, CT 06067 D Employer identification number of agency 06-1267528 E Building identification number (BIN) CT-11-02601
---	---

1a Date of allocation ▶ N/A b Maximum housing credit dollar amount allowable	1b	11,786
2 Maximum applicable credit percentage allowable (see instructions)	2	3.18 %
3a Maximum qualified basis	3a	370,629
b If the eligible basis used in the computation of line 3a was increased, check the applicable box and enter the percentage to which the eligible basis was increased (see instructions)	3b	1 0 0 %
<input type="checkbox"/> Building located in the Gulf Opportunity (GO) Zone, Rita GO Zone, or Wilma GO Zone <input type="checkbox"/> Section 42(d)(5)(B) high cost area provisions		
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-.)	4	0 %
5 Date building placed in service	▶ 05/08/2013	
6 Check the boxes that describe the allocation for the building (check those that apply): a <input type="checkbox"/> Newly constructed and federally subsidized b <input type="checkbox"/> Newly constructed and not federally subsidized c <input checked="" type="checkbox"/> Existing building d <input type="checkbox"/> Sec. 42(e) rehabilitation expenditures federally subsidized e <input type="checkbox"/> Sec. 42(e) rehabilitation expenditures not federally subsidized f <input type="checkbox"/> Not federally subsidized by reason of 40-50 rule under sec. 42(i)(2)(E) g <input type="checkbox"/> Allocation subject to nonprofit set-aside under sec. 42(h)(5)		

Signature of Authorized Housing Credit Agency Official—Completed by Housing Credit Agency Only

Under penalties of perjury, I declare that the allocation made is in compliance with the requirements of section 42 of the Internal Revenue Code, and that I have examined this form and to the best of my knowledge and belief, the information is true, correct, and complete.

Signature of authorized official	Dara Kovel - VP, Housing Development Name (please type or print)	2/27/15 Date
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Part II First-Year Certification—Completed by Building Owners with respect to the First Year of the Credit Period

7 Eligible basis of building (see instructions)	7	370,639
8a Original qualified basis of the building at close of first year of credit period	8a	370,639
b Are you treating this building as part of a multiple building project for purposes of section 42 (see instructions)?		
		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
9a If box 6a or box 6d is checked, do you elect to reduce eligible basis under section 42(i)(2)(B)?		
		<input type="checkbox"/> Yes <input type="checkbox"/> No
b For market-rate units above the average quality standards of low-income units in the building, do you elect to reduce eligible basis by disproportionate costs of non-low income units under section 42(d)(3)(B)?		
		<input type="checkbox"/> Yes <input type="checkbox"/> No
10 Check the appropriate box for each election: Caution: Once made, the following elections are irrevocable.		
a Elect to begin credit period the first year after the building is placed in service (section 42(f)(1))		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
b Elect not to treat large partnership as taxpayer (section 42(j)(5))		<input type="checkbox"/> Yes
c Elect minimum set-aside requirement (section 42(g)) (see instructions)		<input type="checkbox"/> 20-50 <input checked="" type="checkbox"/> 40-60 <input type="checkbox"/> 25-60 (N.Y.C. only)
d Elect deep rent skewed project (section 142(d)(4)(B)) (see instructions)		<input type="checkbox"/> 15-40

Under penalties of perjury, I declare that I have examined this form and accompanying attachments, and to the best of my knowledge and belief, they are true, correct, and complete.

Signature	45-3133205 Taxpayer identification number	Date
Country Village Apartments LLC Name (please type or print)	2013 First year of the credit period	

Low-Income Housing Credit Allocation and Certification

OMB No. 1545-0988

▶ Information about Form 8609 and its separate instructions is at www.irs.gov/form8609.

Part I Allocation of Credit

Check if: Addition to Qualified Basis Amended Form

A Address of building (do not use P.O. box) (see instructions) 321-339 Colonial Avenue Waterbury, CT 06704	B Name and address of housing credit agency Connecticut Housing Finance Authority 999 West Street Rocky Hill, CT 06067
C Name, address, and TIN of building owner receiving allocation Country Village, LLC 1241 Main Street Bridgeport, CT 06604 TIN ▶ 45-3133205	D Employer identification number of agency <div style="text-align: right;">06-1267528</div> E Building identification number (BIN) <div style="text-align: right;">CT-11-02601</div>

1a Date of allocation ▶ N/A	b Maximum housing credit dollar amount allowable	1b	26,919
2 Maximum applicable credit percentage allowable (see instructions)		2	3.27 %
3a Maximum qualified basis		3a	823,211
b If the eligible basis used in the computation of line 3a was increased, check the applicable box and enter the percentage to which the eligible basis was increased (see instructions)		3b	1 <u>3</u> <u>0</u> %
<input type="checkbox"/> Building located in the Gulf Opportunity (GO) Zone, Rita GO Zone, or Wilma GO Zone <input checked="" type="checkbox"/> Section 42(d)(5)(B) high cost area provisions			
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-.)		4	63.99 %
5 Date building placed in service ▶ 10/01/2013			
6 Check the boxes that describe the allocation for the building (check those that apply):			
a <input type="checkbox"/> Newly constructed and federally subsidized		b <input type="checkbox"/> Newly constructed and not federally subsidized	
c <input type="checkbox"/> Existing building		d <input checked="" type="checkbox"/> Sec. 42(e) rehabilitation expenditures federally subsidized	
e <input type="checkbox"/> Sec. 42(e) rehabilitation expenditures not federally subsidized		f <input type="checkbox"/> Not federally subsidized by reason of 40-50 rule under sec. 42(i)(2)(E)	
g <input type="checkbox"/> Allocation subject to nonprofit set-aside under sec. 42(h)(5)			

Signature of Authorized Housing Credit Agency Official—Completed by Housing Credit Agency Only

Under penalties of perjury, I declare that the allocation made is in compliance with the requirements of section 42 of the Internal Revenue Code, and that I have examined this form and to the best of my knowledge and belief, the information is true, correct, and complete.

Dara Kovel - VP, Housing Development
2/27/15
Signature of authorized official
Name (please type or print)
Date

Part II First-Year Certification—Completed by Building Owners with respect to the First Year of the Credit Period

7 Eligible basis of building (see instructions)	7	823,223
8a Original qualified basis of the building at close of first year of credit period	8a	823,223
b Are you treating this building as part of a multiple building project for purposes of section 42 (see instructions)?		
		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
9a If box 6a or box 6d is checked, do you elect to reduce eligible basis under section 42(i)(2)(B)?		
		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
b For market-rate units above the average quality standards of low-income units in the building, do you elect to reduce eligible basis by disproportionate costs of non-low income units under section 42(d)(3)(B)?		
		<input type="checkbox"/> Yes <input type="checkbox"/> No
10 Check the appropriate box for each election:		
Caution: Once made, the following elections are irrevocable.		
a Elect to begin credit period the first year after the building is placed in service (section 42(f)(1))	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
b Elect not to treat large partnership as taxpayer (section 42(j)(5))	<input type="checkbox"/> Yes	
c Elect minimum set-aside requirement (section 42(g)) (see instructions) <input type="checkbox"/> 20-50 <input checked="" type="checkbox"/> 40-60	<input type="checkbox"/> 25-60 (N.Y.C. only)	
d Elect deep rent skewed project (section 142(d)(4)(B)) (see instructions)	<input type="checkbox"/> 15-40	

Under penalties of perjury, I declare that I have examined this form and accompanying attachments, and to the best of my knowledge and belief, they are true, correct, and complete.

45-3133205
Date
Signature
Taxpayer identification number

Country Village Apartments LLC
2013
Name (please type or print)
First year of the credit period

Low-Income Housing Credit Allocation and Certification

OMB No. 1545-0988

▶ Information about Form 8609 and its separate instructions is at www.irs.gov/form8609.

Part I Allocation of Credit

Check If: Addition to Qualified Basis Amended Form

A Address of building (do not use P.O. box) (see instructions) 18-28 Dorchester Drive Waterbury, CT 06704	B Name and address of housing credit agency Connecticut Housing Finance Authority 999 West Street Rocky Hill, CT 06067
C Name, address, and TIN of building owner receiving allocation Country Village, LLC 1241 Main Street Bridgeport, CT 06604 TIN ▶ 45-3133205	D Employer identification number of agency 06-1267528
	E Building identification number (BIN) CT-11-02602

1a Date of allocation ▶ N/A	b Maximum housing credit dollar amount allowable	1b	9,282
2 Maximum applicable credit percentage allowable (see instructions)		2	3.18%
3a Maximum qualified basis		3a	291,887
b If the eligible basis used in the computation of line 3a was increased, check the applicable box and enter the percentage to which the eligible basis was increased (see instructions)		3b	1 0 0 %
<input type="checkbox"/> Building located in the Gulf Opportunity (GO) Zone, Rita GO Zone, or Wilma GO Zone <input type="checkbox"/> Section 42(d)(5)(B) high cost area provisions			
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-)		4	63.99%
5 Date building placed in service ▶ 05/08/2013			
6 Check the boxes that describe the allocation for the building (check those that apply):			
a <input type="checkbox"/> Newly constructed and federally subsidized		b <input type="checkbox"/> Newly constructed and not federally subsidized	
c <input checked="" type="checkbox"/> Existing building			
d <input type="checkbox"/> Sec. 42(e) rehabilitation expenditures federally subsidized		e <input type="checkbox"/> Sec. 42(e) rehabilitation expenditures not federally subsidized	
f <input type="checkbox"/> Not federally subsidized by reason of 40-50 rule under sec. 42(i)(2)(E)		g <input type="checkbox"/> Allocation subject to nonprofit set-aside under sec. 42(h)(5)	

Signature of Authorized Housing Credit Agency Official—Completed by Housing Credit Agency Only

Under penalties of perjury, I declare that the allocation made is in compliance with the requirements of section 42 of the Internal Revenue Code, and that I have examined this form and to the best of my knowledge and belief, the information is true, correct, and complete.

Signature of authorized official
 ▶ **Dara Kovel - VP, Housing Development**
 Name (please type or print)
 ▶ 2/27/15
 Date

Part II First-Year Certification—Completed by Building Owners with respect to the First Year of the Credit Period

7 Eligible basis of building (see instructions)	7	291,878
8a Original qualified basis of the building at close of first year of credit period	8a	291,878
b Are you treating this building as part of a multiple building project for purposes of section 42 (see instructions)?		
		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
9a If box 6a or box 6d is checked, do you elect to reduce eligible basis under section 42(i)(2)(B)?		
		<input type="checkbox"/> Yes <input type="checkbox"/> No
b For market-rate units above the average quality standards of low-income units in the building, do you elect to reduce eligible basis by disproportionate costs of non-low income units under section 42(d)(3)(B)?		
		<input type="checkbox"/> Yes <input type="checkbox"/> No
10 Check the appropriate box for each election:		
Caution: Once made, the following elections are irrevocable.		
a Elect to begin credit period the first year after the building is placed in service (section 42(f)(1))	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
b Elect not to treat partnership as taxpayer (section 42(j)(5))	<input type="checkbox"/> Yes	
c Elect minimum set-aside requirement (section 42(g)) (see instructions) <input type="checkbox"/> 20-50 <input checked="" type="checkbox"/> 40-60	<input type="checkbox"/> 25-60 (N.Y.C. only)	
d Elect deep rent skewed project (section 42(d)(4)(B)) (see instructions)	<input type="checkbox"/> 15-40	

Under penalties of perjury, I declare that I have examined this form and accompanying attachments, and to the best of my knowledge and belief, they are true, correct, and complete.

Signature
 ▶ 45-3133205
 Taxpayer identification number
 ▶
 Date

Country Village Apartments LLC
 ▶ 2013
 First year of the credit period

Low-Income Housing Credit Allocation and Certification

OMB No. 1545-0988

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Part I Allocation of Credit

Check If: Addition to Qualified Basis Amended Form

A Address of building (do not use P.O. box) (see instructions) 18-28 Dorchester Drive Waterbury, CT 06704	B Name and address of housing credit agency Connecticut Housing Finance Authority 999 West Street Rocky Hill, CT 06067
C Name, address, and TIN of building owner receiving allocation Country Village, LLC 1241 Main Street Bridgeport, CT 06604 TIN ▶ 45-3133205	D Employer identification number of agency <div style="text-align: right;">06-1267528</div> E Building identification number (BIN) <div style="text-align: right;">CT-11-02602</div>

1a Date of allocation ▶ N/A	b Maximum housing credit dollar amount allowable	1b	21,199
2 Maximum applicable credit percentage allowable (see instructions)		2	3.27%
3a Maximum qualified basis		3a	648,287
b If the eligible basis used in the computation of line 3a was increased, check the applicable box and enter the percentage to which the eligible basis was increased (see instructions)		3b	1 3 0 %
<input type="checkbox"/> Building located in the Gulf Opportunity (GO) Zone, Rita GO Zone, or Wilma GO Zone <input checked="" type="checkbox"/> Section 42(d)(5)(B) high cost area provisions			
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-)		4	63.99%
5 Date building placed in service ▶ 10/01/2013			
6 Check the boxes that describe the allocation for the building (check those that apply):			
a <input type="checkbox"/> Newly constructed and federally subsidized		b <input type="checkbox"/> Newly constructed and not federally subsidized	
c <input type="checkbox"/> Existing building		d <input checked="" type="checkbox"/> Sec. 42(e) rehabilitation expenditures federally subsidized	
e <input type="checkbox"/> Sec. 42(e) rehabilitation expenditures not federally subsidized		f <input type="checkbox"/> Not federally subsidized by reason of 40-50 rule under sec. 42(f)(2)(E)	
g <input type="checkbox"/> Allocation subject to nonprofit set-aside under sec. 42(h)(5)			

Signature of Authorized Housing Credit Agency Official—Completed by Housing Credit Agency Only

Under penalties of perjury, I declare that the allocation made is in compliance with the requirements of section 42 of the Internal Revenue Code, and that I have examined this form and to the best of my knowledge and belief, the information is true, correct, and complete.

Dara Kovel - VP, Housing Development
2/27/15
Signature of authorized official
Name (please type or print)
Date

Part II First-Year Certification—Completed by Building Owners with respect to the First Year of the Credit Period

7 Eligible basis of building (see instructions)	7	648,288
8a Original qualified basis of the building at close of first year of credit period	8a	648,288
b Are you treating this building as part of a multiple building project for purposes of section 42 (see instructions)?		
		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
9a If box 6a or box 6d is checked, do you elect to reduce eligible basis under section 42(f)(2)(B)?		
		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
b For market-rate units above the average quality standards of low-income units in the building, do you elect to reduce eligible basis by disproportionate costs of non-low income units under section 42(d)(3)(B)?		
		<input type="checkbox"/> Yes <input type="checkbox"/> No
10 Check the appropriate box for each election: Caution: Once made, the following elections are irrevocable.		
a Elect to begin credit period the first year after the building is placed in service (section 42(f)(1)) ▶		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
b Elect not to treat large partnership as taxpayer (section 42(j)(5)) ▶		<input type="checkbox"/> Yes
c Elect minimum set-aside requirement (section 42(g)) (see instructions) <input type="checkbox"/> 20-50 <input checked="" type="checkbox"/> 40-60		<input type="checkbox"/> 25-60 (N.Y.C. only)
d Elect deep rent skewed project (section 142(d)(4)(B)) (see instructions)		<input type="checkbox"/> 15-40

Under penalties of perjury, I declare that I have examined this form and accompanying attachments, and to the best of my knowledge and belief, they are true, correct, and complete.

45-3133205
Date
Signature
Taxpayer identification number

Country Village Apartments LLC
2013
Name (please type or print)
First year of the credit period

Low-Income Housing Credit Allocation and Certification

OMB No. 1545-0988

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Part I Allocation of Credit

Check if: Addition to Qualified Basis Amended Form

A Address of building (do not use P.O. box) (see instructions) 55-69 Lester Drive Waterbury, CT 06704	B Name and address of housing credit agency Connecticut Housing Finance Authority 999 West Street Rocky Hill, CT 06067
C Name, address, and TIN of building owner receiving allocation Country Village, LLC 1241 Main Street Bridgeport, CT 06604 TIN ▶ 45-3133205	D Employer identification number of agency <div style="text-align: right;">06-1267528</div> E Building identification number (BIN) <div style="text-align: right;">CT-11-02603</div>

1a Date of allocation ▶ N/A b Maximum housing credit dollar amount allowable	1b	10,215
2 Maximum applicable credit percentage allowable (see instructions)	2	3.18 %
3a Maximum qualified basis	3a	321,226
b If the eligible basis used in the computation of line 3a was increased, check the applicable box and enter the percentage to which the eligible basis was increased (see instructions)	3b	1 0 0 %
<input type="checkbox"/> Building located in the Gulf Opportunity (GO) Zone, Rita GO Zone, or Wilma GO Zone <input type="checkbox"/> Section 42(d)(5)(B) high cost area provisions		
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-)	4	63.99 %
5 Date building placed in service		05/08/2013
6 Check the boxes that describe the allocation for the building (check those that apply):		
a <input type="checkbox"/> Newly constructed and federally subsidized b <input type="checkbox"/> Newly constructed and not federally subsidized c <input checked="" type="checkbox"/> Existing building		
d <input type="checkbox"/> Sec. 42(e) rehabilitation expenditures federally subsidized e <input type="checkbox"/> Sec. 42(e) rehabilitation expenditures not federally subsidized		
f <input type="checkbox"/> Not federally subsidized by reason of 40-50 rule under sec. 42(i)(2)(E) g <input type="checkbox"/> Allocation subject to nonprofit set-aside under sec. 42(h)(5)		

Signature of Authorized Housing Credit Agency Official—Completed by Housing Credit Agency Only

Under penalties of perjury, I declare that the allocation made is in compliance with the requirements of section 42 of the Internal Revenue Code, and that I have examined this form and to the best of my knowledge and belief, the information is true, correct, and complete.

	Dara Kovel - VP, Housing Development <small>Name (please type or print)</small>	2/27/15 <small>Date</small>
<small>Signature of authorized official</small>		

Part II First-Year Certification—Completed by Building Owners with respect to the First Year of the Credit Period

7 Eligible basis of building (see instructions)	7	321,221
8a Original qualified basis of the building at close of first year of credit period	8a	321,221
b Are you treating this building as part of a multiple building project for purposes of section 42 (see instructions)?		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
9a If box 6a or box 6d is checked, do you elect to reduce eligible basis under section 42(i)(2)(B)?		<input type="checkbox"/> Yes <input type="checkbox"/> No
b For market-rate units above the average quality standards of low-income units in the building, do you elect to reduce eligible basis by disproportionate costs of non-low income units under section 42(d)(3)(B)?		<input type="checkbox"/> Yes <input type="checkbox"/> No
10 Check the appropriate box for each election: <i>Caution: Once made, the following elections are irrevocable.</i>		
a Elect to begin credit period the first year after the building is placed in service (section 42(f)(1))		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
b Elect not to treat large partnership as taxpayer (section 42(j)(5))		<input type="checkbox"/> Yes
c Elect minimum set-aside requirement (section 42(g)) (see instructions)		<input type="checkbox"/> 20-50 <input checked="" type="checkbox"/> 40-60 <input type="checkbox"/> 25-60 (N.Y.C. only)
d Elect deep rent skewed project (section 142(d)(4)(B)) (see instructions)		<input type="checkbox"/> 15-40

Under penalties of perjury, I declare that I have examined this form and accompanying attachments, and to the best of my knowledge and belief, they are true, correct, and complete.

	45-3133205 <small>Taxpayer identification number</small>	Date
<small>Signature</small>		
Country Village Apartments LLC	2013	
<small>Name (please type or print)</small>		
	First year of the credit period	

Low-Income Housing Credit Allocation and Certification

OMB No. 1545-0988

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Part I Allocation of Credit

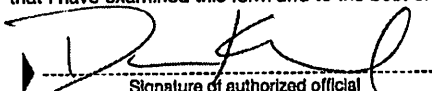
Check if: Addition to Qualified Basis Amended Form

A Address of building (do not use P.O. box) (see instructions) 55-69 Lester Drive Waterbury, CT 06704	B Name and address of housing credit agency Connecticut Housing Finance Authority 999 West Street Rocky Hill, CT 06067
C Name, address, and TIN of building owner receiving allocation Country Village, LLC 1241 Main Street Bridgeport, CT 06604 TIN ▶ 45-3133205	D Employer identification number of agency <div style="text-align: right;">06-1267528</div> E Building identification number (BIN) <div style="text-align: right;">CT-11-02603</div>

1a Date of allocation ▶ N/A	b Maximum housing credit dollar amount allowable	1b	23,330
2 Maximum applicable credit percentage allowable (see instructions)		2	3.27 %
3a Maximum qualified basis		3a	713,456
b If the eligible basis used in the computation of line 3a was increased, check the applicable box and enter the percentage to which the eligible basis was increased (see instructions)		3b	1 3 0 %
<input type="checkbox"/> Building located in the Gulf Opportunity (GO) Zone, Rita GO Zone, or Wilma GO Zone <input checked="" type="checkbox"/> Section 42(d)(5)(B) high cost area provisions			
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-)		4	63.99 %
5 Date building placed in service ▶ 10/01/2013			
6 Check the boxes that describe the allocation for the building (check those that apply):			
a <input type="checkbox"/> Newly constructed and federally subsidized		b <input type="checkbox"/> Newly constructed and not federally subsidized	
c <input type="checkbox"/> Existing building		d <input checked="" type="checkbox"/> Sec. 42(e) rehabilitation expenditures federally subsidized	
e <input type="checkbox"/> Sec. 42(e) rehabilitation expenditures not federally subsidized		f <input type="checkbox"/> Not federally subsidized by reason of 40-50 rule under sec. 42(i)(2)(E)	
g <input type="checkbox"/> Allocation subject to nonprofit set-aside under sec. 42(h)(5)			

Signature of Authorized Housing Credit Agency Official—Completed by Housing Credit Agency Only

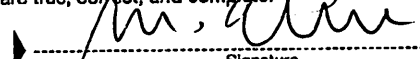
Under penalties of perjury, I declare that the allocation made is in compliance with the requirements of section 42 of the Internal Revenue Code, and that I have examined this form and to the best of my knowledge and belief, the information is true, correct, and complete.

	Dara Kovel - VP, Housing Development	2/27/15
Signature of authorized official	Name (please type or print)	Date

Part II First-Year Certification—Completed by Building Owners with respect to the First Year of the Credit Period

7 Eligible basis of building (see instructions)	713,460
8a Original qualified basis of the building at close of first year of credit period	713,460
b Are you treating this building as part of a multiple building project for purposes of section 42 (see instructions)?	
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
9a If box 6a or box 6d is checked, do you elect to reduce eligible basis under section 42(i)(2)(B)?	
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
b For market-rate units above the average quality standards of low-income units in the building, do you elect to reduce eligible basis by disproportionate costs of non-low income units under section 42(d)(3)(B)?	
<input type="checkbox"/> Yes <input type="checkbox"/> No	
10 Check the appropriate box for each election:	
Caution: Once made, the following elections are irrevocable.	
a Elect to begin credit period the first year after the building is placed in service (section 42(f)(1))	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
b Elect not to treat large partnership as taxpayer (section 42(j)(5))	<input type="checkbox"/> Yes
c Elect minimum set-aside requirement (section 42(g)) (see instructions) <input type="checkbox"/> 20-50 <input checked="" type="checkbox"/> 40-60	<input type="checkbox"/> 25-60 (N.Y.C. only)
d Elect deep rent skewed project (section 142(d)(4)(B)) (see instructions)	<input type="checkbox"/> 15-40

Under penalties of perjury, I declare that I have examined this form and accompanying attachments, and to the best of my knowledge and belief, they are true, correct, and complete.

	45-3133205	
Signature	Taxpayer identification number	Date
Country Village Apartments LLC	2013	
Name (please type or print)	First year of the credit period	

Low-Income Housing Credit Allocation and Certification

▶ Information about Form 8609 and its separate instructions is at www.irs.gov/form8609.

Part I Allocation of Credit

Check if: Addition to Qualified Basis Amended Form

A Address of building (do not use P.O. box) (see instructions)

31-41 Lester Drive
Waterbury, CT 06704

B Name and address of housing credit agency

Connecticut Housing Finance Authority
999 West Street
Rocky Hill, CT 06067

C Name, address, and TIN of building owner receiving allocation

Country Village, LLC
1241 Main Street
Bridgeport, CT 06604

D Employer identification number of agency

06-1267528

E Building identification number (BIN)

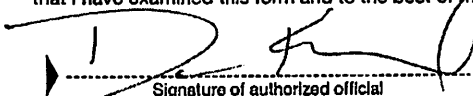
CT-11-02604

TIN ▶ 45-3133205

1a Date of allocation ▶ N/A	b	Maximum housing credit dollar amount allowable	1b	8,510
2 Maximum applicable credit percentage allowable (see instructions)	2			3.18 %
3a Maximum qualified basis	3a			267,610
b If the eligible basis used in the computation of line 3a was increased, check the applicable box and enter the percentage to which the eligible basis was increased (see instructions)	3b			1 0 0 %
<input type="checkbox"/> Building located in the Gulf Opportunity (GO) Zone, Rita GO Zone, or Wilma GO Zone <input type="checkbox"/> Section 42(d)(5)(B) high cost area provisions				
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-)	4			63.99 %
5 Date building placed in service ▶ 05/08/2013				
6 Check the boxes that describe the allocation for the building (check those that apply):				
a <input type="checkbox"/> Newly constructed and federally subsidized	b <input type="checkbox"/> Newly constructed and not federally subsidized	c <input checked="" type="checkbox"/> Existing building		
d <input type="checkbox"/> Sec. 42(e) rehabilitation expenditures federally subsidized	e <input type="checkbox"/> Sec. 42(e) rehabilitation expenditures not federally subsidized			
f <input type="checkbox"/> Not federally subsidized by reason of 40-50 rule under sec. 42(i)(2)(E)	g <input type="checkbox"/> Allocation subject to nonprofit set-aside under sec. 42(h)(5)			

Signature of Authorized Housing Credit Agency Official—Completed by Housing Credit Agency Only

Under penalties of perjury, I declare that the allocation made is in compliance with the requirements of section 42 of the Internal Revenue Code, and that I have examined this form and to the best of my knowledge and belief, the information is true, correct, and complete.


Signature of authorized official

Dara Kovel - VP, Housing Development
Name (please type or print)

2/27/15
Date

Part II First-Year Certification—Completed by Building Owners with respect to the First Year of the Credit Period

7 Eligible basis of building (see instructions)	7	267,598
8a Original qualified basis of the building at close of first year of credit period	8a	267,598
b Are you treating this building as part of a multiple building project for purposes of section 42 (see instructions)?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
9a If box 6a or box 6d is checked, do you elect to reduce eligible basis under section 42(i)(2)(B)?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
b For market-rate units above the average quality standards of low-income units in the building, do you elect to reduce eligible basis by disproportionate costs of non-low income units under section 42(d)(3)(B)?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
10 Check the appropriate box for each election: Caution: Once made, the following elections are irrevocable.		
a Elect to begin credit period the first year after the building is placed in service (section 42(f)(1))	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
b Elect not to treat large partnership as taxpayer (section 42(j)(5))	<input type="checkbox"/> Yes	
c Elect minimum set-aside requirement (section 42(g)) (see instructions)	<input type="checkbox"/> 20-50	<input checked="" type="checkbox"/> 40-60
d Elect deep rent skewed project (section 142(d)(4)(B)) (see instructions)	<input type="checkbox"/> 15-40	

Under penalties of perjury, I declare that I have examined this form and accompanying attachments, and to the best of my knowledge and belief, they are true, correct, and complete.


Country Village Apartments LLC
Name (please type or print)

45-3133205
Taxpayer identification number
2013
First year of the credit period

Date

Low-Income Housing Credit Allocation and Certification

OMB No. 1545-0988

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Part I Allocation of Credit

Check if: Addition to Qualified Basis Amended Form

A Address of building (do not use P.O. box) (see instructions) 31-41 Lester Drive Waterbury, CT 06704	B Name and address of housing credit agency Connecticut Housing Finance Authority 999 West Street Rocky Hill, CT 06067
C Name, address, and TIN of building owner receiving allocation Country Village, LLC 1241 Main Street Bridgeport, CT 06604 TIN ▶ 45-3133205	D Employer identification number of agency <div style="text-align: right;">06-1267528</div> E Building identification number (BIN) <div style="text-align: right;">CT-11-02604</div>

1a Date of allocation ▶ N/A	b Maximum housing credit dollar amount allowable	1b	19,436
2 Maximum applicable credit percentage allowable (see instructions)		2	3.27 %
3a Maximum qualified basis		3a	594,373
b If the eligible basis used in the computation of line 3a was increased, check the applicable box and enter the percentage to which the eligible basis was increased (see instructions)		3b	1 <u>3</u> <u>0</u> %
<input type="checkbox"/> Building located in the Gulf Opportunity (GO) Zone, Rita GO Zone, or Wilma GO Zone <input checked="" type="checkbox"/> Section 42(d)(5)(B) high cost area provisions			
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-)		4	63.99 %
5 Date building placed in service ▶ 10/01/2013			
6 Check the boxes that describe the allocation for the building (check those that apply):			
a <input type="checkbox"/> Newly constructed and federally subsidized		b <input type="checkbox"/> Newly constructed and not federally subsidized	
c <input type="checkbox"/> Existing building		d <input checked="" type="checkbox"/> Sec. 42(e) rehabilitation expenditures federally subsidized	
e <input type="checkbox"/> Sec. 42(e) rehabilitation expenditures not federally subsidized		f <input type="checkbox"/> Not federally subsidized by reason of 40-50 rule under sec. 42(i)(2)(E)	
g <input type="checkbox"/> Allocation subject to nonprofit set-aside under sec. 42(h)(5)			

Signature of Authorized Housing Credit Agency Official—Completed by Housing Credit Agency Only

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▶ **Dara Kovel - VP, Housing Development**
▶ 2/27/15
Signature of authorized official
Name (please type or print)
Date

Part II First-Year Certification—Completed by Building Owners with respect to the First Year of the Credit Period

7 Eligible basis of building (see instructions)	7	594,359
8a Original qualified basis of the building at close of first year of credit period	8a	594,359
b Are you treating this building as part of a multiple building project for purposes of section 42 (see instructions)?		
		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
9a If box 6a or box 6d is checked, do you elect to reduce eligible basis under section 42(i)(2)(B)?		
		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
b For market-rate units above the average quality standards of low-income units in the building, do you elect to reduce eligible basis by disproportionate costs of non-low income units under section 42(d)(3)(B)?		
		<input type="checkbox"/> Yes <input type="checkbox"/> No
10 Check the appropriate box for each election:		
Caution: Once made, the following elections are irrevocable.		
a Elect to begin credit period the first year after the building is placed in service (section 42(f)(1))	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
b Elect not to treat large partnership as taxpayer (section 42(j)(5))	<input type="checkbox"/> Yes	
c Elect minimum set-aside requirement (section 42(g)) (see instructions)	<input type="checkbox"/> 20-50 <input checked="" type="checkbox"/> 40-60 <input type="checkbox"/> 25-60 (N.Y.C. only)	
d Elect deep rent skewed project (section 142(d)(4)(B)) (see instructions)	<input type="checkbox"/> 15-40	

Under penalties of perjury, I declare that I have examined this form and accompanying attachments, and to the best of my knowledge and belief, they are true, correct, and complete.

▶ 45-3133205
▶
Signature
Taxpayer identification number
Date
Country Village Apartments LLC
▶ 2013
▶
Name (please type or print)
First year of the credit period

Low-Income Housing Credit Allocation and Certification

OMB No. 1545-0988

▶ Information about Form 8609 and its separate instructions is at www.irs.gov/form8609.

Part I Allocation of Credit

Check If: Addition to Qualified Basis Amended Form

A Address of building (do not use P.O. box) (see instructions) 53-67 Dorchester Dr. Waterbury, CT 06704	B Name and address of housing credit agency Connecticut Housing Finance Authority 999 West Street Rocky Hill, CT 06067
C Name, address, and TIN of building owner receiving allocation Country Village, LLC 1241 Main Street Bridgeport, CT 06604 TIN ▶ 45-3133205	D Employer identification number of agency <div style="text-align: right;">06-1267528</div> E Building identification number (BIN) <div style="text-align: right;">CT-11-02605</div>

1a Date of allocation ▶ N/A	b Maximum housing credit dollar amount allowable	1b	10,987
2 Maximum applicable credit percentage allowable (see instructions)		2	3.18%
3a Maximum qualified basis		3a	345,503
b If the eligible basis used in the computation of line 3a was increased, check the applicable box and enter the percentage to which the eligible basis was increased (see instructions)		3b	1 0 0 %
<input type="checkbox"/> Building located in the Gulf Opportunity (GO) Zone, Rita GO Zone, or Wilma GO Zone <input type="checkbox"/> Section 42(d)(5)(B) high cost area provisions			
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-)		4	63.99%
5 Date building placed in service ▶ 05/08/2013			
6 Check the boxes that describe the allocation for the building (check those that apply):			
a <input type="checkbox"/> Newly constructed and federally subsidized		b <input type="checkbox"/> Newly constructed and not federally subsidized	
c <input checked="" type="checkbox"/> Existing building			
d <input checked="" type="checkbox"/> Sec. 42(e) rehabilitation expenditures federally subsidized		e <input type="checkbox"/> Sec. 42(e) rehabilitation expenditures not federally subsidized	
f <input type="checkbox"/> Not federally subsidized by reason of 40-50 rule under sec. 42(i)(2)(E)		g <input type="checkbox"/> Allocation subject to nonprofit set-aside under sec. 42(h)(5)	

Signature of Authorized Housing Credit Agency Official—Completed by Housing Credit Agency Only

Under penalties of perjury, I declare that the allocation made is in compliance with the requirements of section 42 of the Internal Revenue Code, and that I have examined this form and to the best of my knowledge and belief, the information is true, correct, and complete.

▶
Dara Kovel - VP, Housing Development
▶
2/27/15
Signature of authorized official
Name (please type or print)
Date

Part II First-Year Certification—Completed by Building Owners with respect to the First Year of the Credit Period

7 Eligible basis of building (see instructions)	7	345,501
8a Original qualified basis of the building at close of first year of credit period	8a	345,501
b Are you treating this building as part of a multiple building project for purposes of section 42 (see instructions)?		
		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
9a If box 6a or box 6d is checked, do you elect to reduce eligible basis under section 42(i)(2)(B)?		
		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
b For market-rate units above the average quality standards of low-income units in the building, do you elect to reduce eligible basis by disproportionate costs of non-low income units under section 42(d)(3)(B)?		
		<input type="checkbox"/> Yes <input type="checkbox"/> No
10 Check the appropriate box for each election:		
Caution: Once made, the following elections are irrevocable.		
a Elect to begin credit period the first year after the building is placed in service (section 42(f)(1))	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
b Elect not to treat large partnership as taxpayer (section 42(j)(5))	<input type="checkbox"/> Yes	
c Elect minimum set-aside requirement (section 42(g)) (see instructions) <input type="checkbox"/> 20-50 <input checked="" type="checkbox"/> 40-60	<input type="checkbox"/> 25-60 (N.Y.C. only)	
d Elect deep rent skewed Project (section 142(d)(4)(B)) (see instructions)	<input type="checkbox"/> 15-40	

Under penalties of perjury, I declare that I have examined this form and accompanying attachments, and to the best of my knowledge and belief, they are true, correct, and complete.

▶
45-3133205
▶
2014
Signature
Taxpayer identification number
Date
Country Village Apartments LLC
▶
2014
Name (please type or print)
First year of the credit period

Low-Income Housing Credit Allocation and Certification

OMB No. 1545-0088

▶ Information about Form 8609 and its separate instructions is at www.irs.gov/form8609.

Part I Allocation of Credit

Check if: Addition to Qualified Basis Amended Form

A Address of building (do not use P.O. box) (see instructions) 53-67 Dorchester Dr. Waterbury, CT 06704	B Name and address of housing credit agency Connecticut Housing Finance Authority 999 West Street Rocky Hill, CT 06067
C Name, address, and TIN of building owner receiving allocation Country Village, LLC 1241 Main Street Bridgeport, CT 06604 TIN ▶ 45-3133205	D Employer identification number of agency <div style="text-align: right;">06-1267528</div> E Building identification number (BIN) <div style="text-align: right;">CT-11-02605</div>

1a Date of allocation ▶ N/A	b Maximum housing credit dollar amount allowable	1b	25,094
2 Maximum applicable credit percentage allowable (see instructions)		2	3.27 %
3a Maximum qualified basis		3a	767,401
b If the eligible basis used in the computation of line 3a was increased, check the applicable box and enter the percentage to which the eligible basis was increased (see instructions)		3b	1 3 0 %
<input type="checkbox"/> Building located in the Gulf Opportunity (GO) Zone, Rita GO Zone, or Wilma GO Zone <input checked="" type="checkbox"/> Section 42(d)(5)(B) high cost area provisions		4	63.99 %
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-.)			
5 Date building placed in service ▶ 02/01/2014			
6 Check the boxes that describe the allocation for the building (check those that apply):			
a <input type="checkbox"/> Newly constructed and federally subsidized		b <input type="checkbox"/> Newly constructed and not federally subsidized	
c <input type="checkbox"/> Existing building		d <input checked="" type="checkbox"/> Sec. 42(e) rehabilitation expenditures federally subsidized	
e <input type="checkbox"/> Sec. 42(e) rehabilitation expenditures not federally subsidized		f <input type="checkbox"/> Not federally subsidized by reason of 40-50 rule under sec. 42(f)(2)(E)	
g <input type="checkbox"/> Allocation subject to nonprofit set-aside under sec. 42(h)(5)			

Signature of Authorized Housing Credit Agency Official—Completed by Housing Credit Agency Only

Under penalties of perjury, I declare that the allocation made is in compliance with the requirements of section 42 of the Internal Revenue Code, and that I have examined this form and to the best of my knowledge and belief, the information is true, correct, and complete.

Signature of authorized official	Dara Kovel - VP, Housing Development Name (please type or print)	2/27/15 Date
----------------------------------	---	-----------------

Part II First-Year Certification—Completed by Building Owners with respect to the First Year of the Credit Period

7 Eligible basis of building (see instructions)	7	767,389
8a Original qualified basis of the building at close of first year of credit period	8a	767,389
b Are you treating this building as part of a multiple building project for purposes of section 42 (see instructions)?		
		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
9a If box 6a or box 6d is checked, do you elect to reduce eligible basis under section 42(f)(2)(B)?		
		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
b For market-rate units above the average quality standards of low-income units in the building, do you elect to reduce eligible basis by disproportionate costs of non-low income units under section 42(d)(3)(B)?		
		<input type="checkbox"/> Yes <input type="checkbox"/> No
10 Check the appropriate box for each election:		
Caution: Once made, the following elections are irrevocable.		
a Elect to begin credit period the first year after the building is placed in service (section 42(f)(1))	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
b Elect not to treat large partnership as taxpayer (section 42(j)(5))	<input type="checkbox"/> Yes	
c Elect minimum set-aside requirement (section 42(g)) (see instructions) <input type="checkbox"/> 20-50 <input checked="" type="checkbox"/> 40-60	<input type="checkbox"/> 25-60 (N.Y.C. only)	
d Elect deep rent skewed project (section 142(d)(4)(B)) (see instructions)	<input type="checkbox"/> 15-40	

Under penalties of perjury, I declare that I have examined this form and accompanying attachments, and to the best of my knowledge and belief, they are true, correct, and complete.

Signature	45-3133205 Taxpayer identification number	Date
Country Village Apartments LLC Name (please type or print)	2014 First year of the credit period	

Low-Income Housing Credit Allocation and Certification

OMB No. 1545-0988

▶ Information about Form 8609 and its separate instructions is at www.irs.gov/form8609.

Part I Allocation of Credit

Check if: Addition to Qualified Basis Amended Form

A Address of building (do not use P.O. box) (see instructions) 71-85 Dorchester Drive Waterbury, CT 06704	B Name and address of housing credit agency Connecticut Housing Finance Authority 999 West Street Rocky Hill, CT 06067
C Name, address, and TIN of building owner receiving allocation Country Village, LLC 1241 Main Street Bridgeport, CT 06604 TIN ▶ 45-3133205	D Employer identification number of agency <div style="text-align: center;">06-1267528</div> E Building Identification number (BIN) <div style="text-align: center;">CT-11-02606</div>

1a Date of allocation ▶ N/A	b Maximum housing credit dollar amount allowable	1b	10,987
2 Maximum applicable credit percentage allowable (see instructions)		2	3.18 %
3a Maximum qualified basis		3a	345,503
b If the eligible basis used in the computation of line 3a was increased, check the applicable box and enter the percentage to which the eligible basis was increased (see instructions)		3b	1 0 0 %
<input type="checkbox"/> Building located in the Gulf Opportunity (GO) Zone, Rita GO Zone, or Wilma GO Zone <input type="checkbox"/> Section 42(d)(5)(B) high cost area provisions			
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-)		4	63.99 %
5 Date building placed in service ▶ 05/08/2013			
6 Check the boxes that describe the allocation for the building (check those that apply):			
a <input type="checkbox"/> Newly constructed and federally subsidized		b <input type="checkbox"/> Newly constructed and not federally subsidized	
c <input checked="" type="checkbox"/> Existing building			
d <input type="checkbox"/> Sec. 42(e) rehabilitation expenditures federally subsidized		e <input type="checkbox"/> Sec. 42(e) rehabilitation expenditures not federally subsidized	
f <input type="checkbox"/> Not federally subsidized by reason of 40-50 rule under sec. 42(i)(2)(E)		g <input type="checkbox"/> Allocation subject to nonprofit set-aside under sec. 42(h)(5)	

Signature of Authorized Housing Credit Agency Official—Completed by Housing Credit Agency Only

Under penalties of perjury, I declare that the allocation made is in compliance with the requirements of section 42 of the Internal Revenue Code, and that I have examined this form and, to the best of my knowledge and belief, the information is true, correct, and complete.

▶
Dara Kovel - VP, Housing Development
▶
2/27/15
Signature of authorized official
Name (please type or print)
Date

Part II First-Year Certification—Completed by Building Owners with respect to the First Year of the Credit Period

7 Eligible basis of building (see instructions)	7	345,501
8a Original qualified basis of the building at close of first year of credit period	8a	345,501
b Are you treating this building as part of a multiple building project for purposes of section 42 (see instructions)?		
		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
9a If box 6a or box 6d is checked, do you elect to reduce eligible basis under section 42(i)(2)(B)?		
		<input type="checkbox"/> Yes <input type="checkbox"/> No
b For market-rate units above the average quality standards of low-income units in the building, do you elect to reduce eligible basis by disproportionate costs of non-low income units under section 42(d)(3)(B)?		
		<input type="checkbox"/> Yes <input type="checkbox"/> No
10 Check the appropriate box for each election:		
Caution: Once made, the following elections are irrevocable.		
a Elect to begin credit period the first year after the building is placed in service (section 42(f)(1))	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
b Elect not to treat large partnership as taxpayer (section 42(j)(5))	<input type="checkbox"/> Yes <input type="checkbox"/> No	
c Elect minimum set-aside requirement (section 42(g)) (see instructions) <input type="checkbox"/> 20-50 <input checked="" type="checkbox"/> 40-60	<input type="checkbox"/> 25-60 (N.Y.C. only)	
d Elect deep rent skewed project (section 142(d)(4)(B)) (see instructions)	<input type="checkbox"/> 15-40	

Under penalties of perjury, I declare that I have examined this form and accompanying attachments, and to the best of my knowledge and belief, they are true, correct, and complete.

▶
45-3133205
▶
2014
Signature
Taxpayer identification number
Date
▶
Country Village Apartments LLC
▶
2014
Name (please type or print)
First year of the credit period

Low-Income Housing Credit Allocation and Certification

▶ Information about Form 8609 and its separate instructions is at www.irs.gov/form8609.

Part I Allocation of Credit

Check if: Addition to Qualified Basis Amended Form

A Address of building (do not use P.O. box) (see instructions) 71-85 Dorchester Drive Waterbury, CT 06704	B Name and address of housing credit agency Connecticut Housing Finance Authority 999 West Street Rocky Hill, CT 06067
C Name, address, and TIN of building owner receiving allocation Country Village, LLC 1241 Main Street Bridgeport, CT 06604 TIN ▶ 45-3133205	D Employer identification number of agency <div style="text-align: right;">06-1267528</div> E Building identification number (BIN) <div style="text-align: right;">CT-11-02606</div>

1a Date of allocation ▶ N/A	b Maximum housing credit dollar amount allowable	1b	25,094
2 Maximum applicable credit percentage allowable (see instructions)		2	3.27%
3a Maximum qualified basis		3a	767,401
b If the eligible basis used in the computation of line 3a was increased, check the applicable box and enter the percentage to which the eligible basis was increased (see instructions)		3b	1 3 0 %
<input type="checkbox"/> Building located in the Gulf Opportunity (GO) Zone, Rita GO Zone, or Wilma GO Zone <input checked="" type="checkbox"/> Section 42(d)(5)(B) high cost area provisions			
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-)		4	63.99%
5 Date building placed in service ▶ 02/01/2014			
6 Check the boxes that describe the allocation for the building (check those that apply):			
a <input type="checkbox"/> Newly constructed and federally subsidized		b <input type="checkbox"/> Newly constructed and not federally subsidized	
c <input type="checkbox"/> Existing building		d <input checked="" type="checkbox"/> Sec. 42(e) rehabilitation expenditures federally subsidized	
e <input type="checkbox"/> Sec. 42(e) rehabilitation expenditures not federally subsidized		f <input type="checkbox"/> Not federally subsidized by reason of 40-50 rule under sec. 42(i)(2)(E)	
g <input type="checkbox"/> Allocation subject to nonprofit set-aside under sec. 42(h)(5)			

Signature of Authorized Housing Credit Agency Official—Completed by Housing Credit Agency Only

Under penalties of perjury, I declare that the allocation made is in compliance with the requirements of section 42 of the Internal Revenue Code, and that I have examined this form and to the best of my knowledge and belief, the information is true, correct, and complete.

▶
Dara Kovel - VP, Housing Development
▶
2/27/15
Signature of authorized official
Name (please type or print)
Date

Part II First-Year Certification—Completed by Building Owners with respect to the First Year of the Credit Period

7 Eligible basis of building (see instructions)		767,389
8a Original qualified basis of the building at close of first year of credit period	8a	767,389
b Are you treating this building as part of a multiple building project for purposes of section 42 (see instructions)?		
		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
9a If box 6a or box 6d is checked, do you elect to reduce eligible basis under section 42(i)(2)(B)?		
		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
b For market-rate units above the average quality standards of low-income units in the building, do you elect to reduce eligible basis by disproportionate costs of non-low income units under section 42(d)(3)(B)?		
		<input type="checkbox"/> Yes <input type="checkbox"/> No
10 Check the appropriate box for each election:		
Caution: Once made, the following elections are irrevocable.		
a Elect to begin credit period the first year after the building is placed in service (section 42(f)(1))	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
b Elect not to treat large partnership as taxpayer (section 42(j)(5))	<input type="checkbox"/> Yes	
c Elect minimum set-aside requirement (section 42(g)) (see instructions) <input type="checkbox"/> 20-50 <input checked="" type="checkbox"/> 40-60	<input type="checkbox"/> 25-60 (N.Y.C. only)	
d Elect deep rent skewed project (section 142(d)(4)(B)) (see instructions)	<input type="checkbox"/> 15-40	

Under penalties of perjury, I declare that I have examined this form and accompanying attachments, and to the best of my knowledge and belief, they are true, correct, and complete.

▶
45-3133205
▶
2014
Signature
Taxpayer identification number
Date
▶
Country Village Apartments LLC
▶
2014
Name (please type or print)
First year of the credit period

Low-Income Housing Credit Allocation and Certification

OMB No. 1545-0988

▶ Information about Form 8609 and its separate instructions is at www.irs.gov/form8609.

Part I Allocation of Credit

Check if: Addition to Qualified Basis Amended Form

A Address of building (do not use P.O. box) (see Instructions) 89-103 Dorchester Drive Waterbury, CT 06704	B Name and address of housing credit agency Connecticut Housing Finance Authority 999 West Street Rocky Hill, CT 06067
C Name, address, and TIN of building owner receiving allocation Country Village, LLC 1241 Main Street Bridgeport, CT 06604 TIN ▶ 45-3133205	D Employer identification number of agency <div style="text-align: right;">06-1267528</div> E Building identification number (BIN) <div style="text-align: right;">CT-11-02607</div>

1a Date of allocation ▶ N/A	b Maximum housing credit dollar amount allowable	1b	10,987
2 Maximum applicable credit percentage allowable (see instructions)		2	3.18 %
3a Maximum qualified basis		3a	345,503
b If the eligible basis used in the computation of line 3a was increased, check the applicable box and enter the percentage to which the eligible basis was increased (see instructions)		3b	1 0 0 %
<input type="checkbox"/> Building located in the Gulf Opportunity (GO) Zone, Rita GO Zone, or Wilma GO Zone <input type="checkbox"/> Section 42(d)(5)(B) high cost area provisions			
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-)		4	63.99 %
5 Date building placed in service ▶ 05/08/2013			
6 Check the boxes that describe the allocation for the building (check those that apply):			
a <input type="checkbox"/> Newly constructed and federally subsidized		b <input type="checkbox"/> Newly constructed and not federally subsidized	
c <input checked="" type="checkbox"/> Existing building		d <input type="checkbox"/> Sec. 42(e) rehabilitation expenditures federally subsidized	
e <input type="checkbox"/> Sec. 42(e) rehabilitation expenditures not federally subsidized		f <input type="checkbox"/> Not federally subsidized by reason of 40-50 rule under sec. 42(f)(2)(E)	
g <input type="checkbox"/> Allocation subject to nonprofit set-aside under sec. 42(h)(5)			

Signature of Authorized Housing Credit Agency Official—Completed by Housing Credit Agency Only

Under penalties of perjury, I declare that the allocation made is in compliance with the requirements of section 42 of the Internal Revenue Code, and that I have examined this form and to the best of my knowledge and belief, the information is true, correct, and complete.

▶ Dara Kovel - VP, Housing Development
▶ 2/27/15
Signature of authorized official
Name (please type or print)
Date

Part II First-Year Certification—Completed by Building Owners with respect to the First Year of the Credit Period

7 Eligible basis of building (see Instructions)	7	345,501
8a Original qualified basis of the building at close of first year of credit period	8a	345,501
b Are you treating this building as part of a multiple building project for purposes of section 42 (see Instructions)?		
		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
9a If box 6a or box 6d is checked, do you elect to reduce eligible basis under section 42(i)(2)(B)?		
		<input type="checkbox"/> Yes <input type="checkbox"/> No
b For market-rate units above the average quality standards of low-income units in the building, do you elect to reduce eligible basis by disproportionate costs of non-low income units under section 42(d)(3)(B)?		
		<input type="checkbox"/> Yes <input type="checkbox"/> No
10 Check the appropriate box for each election:		
Caution: Once made, the following elections are irrevocable.		
a Elect to begin credit period the first year after the building is placed in service (section 42(f)(1))	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
b Elect not to treat large partnership as taxpayer (section 42(j)(5))	<input type="checkbox"/> Yes	
c Elect minimum set-aside requirement (section 42(g)) (see Instructions) <input type="checkbox"/> 20-50 <input checked="" type="checkbox"/> 40-60	<input type="checkbox"/> 25-60 (N.Y.C. only)	
d Elect deep rent skewed project (section 142(d)(4)(B)) (see Instructions)	<input type="checkbox"/> 15-40	

Under penalties of perjury, I declare that I have examined this form and accompanying attachments, and to the best of my knowledge and belief, they are true, correct, and complete.

▶ 45-3133205
▶
Signature
Taxpayer identification number
Date

▶ Country Village Apartments LLC
▶ 2014
Name (please type or print)
First year of the credit period

Low-Income Housing Credit Allocation and Certification

OMB No. 1545-0988

▶ Information about Form 8609 and its separate instructions is at www.irs.gov/form8609.

Part I Allocation of Credit

Check if: Addition to Qualified Basis Amended Form

A Address of building (do not use P.O. box) (see instructions) 89-103 Dorchester Drive Waterbury, CT 06704	B Name and address of housing credit agency Connecticut Housing Finance Authority 999 West Street Rocky Hill, CT 06087
C Name, address, and TIN of building owner receiving allocation Country Village, LLC 1241 Main Street Bridgeport, CT 06604 TIN ▶ 45-3133205	D Employer identification number of agency 06-1267528 E Building identification number (BIN) CT-11-02607

1a Date of allocation ▶ N/A	b Maximum housing credit dollar amount allowable	1b	25,094
2 Maximum applicable credit percentage allowable (see instructions)		2	3.27 %
3a Maximum qualified basis		3a	767,401
b If the eligible basis used in the computation of line 3a was increased, check the applicable box and enter the percentage to which the eligible basis was increased (see instructions)		3b	1 3 0 %
<input type="checkbox"/> Building located in the Gulf Opportunity (GO) Zone, Rita GO Zone, or Wilma GO Zone <input checked="" type="checkbox"/> Section 42(d)(5)(B) high cost area provisions			
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-)		4	63.99 %
5 Date building placed in service ▶ 02/01/2014			
6 Check the boxes that describe the allocation for the building (check those that apply):			
a <input type="checkbox"/> Newly constructed and federally subsidized		b <input type="checkbox"/> Newly constructed and not federally subsidized	
c <input type="checkbox"/> Existing building		d <input checked="" type="checkbox"/> Sec. 42(e) rehabilitation expenditures federally subsidized	
e <input type="checkbox"/> Sec. 42(e) rehabilitation expenditures not federally subsidized		f <input type="checkbox"/> Not federally subsidized by reason of 40-50 rule under sec. 42(i)(2)(E)	
g <input type="checkbox"/> Allocation subject to nonprofit set-aside under sec. 42(h)(5)			

Signature of Authorized Housing Credit Agency Official—Completed by Housing Credit Agency Only

Under penalties of perjury, I declare that the allocation made is in compliance with the requirements of section 42 of the Internal Revenue Code, and that I have examined this form and to the best of my knowledge and belief, the information is true, correct, and complete.

Dara Kovel - VP, Housing Development
2/27/15
 Signature of authorized official Name (please type or print) Date

Part II First-Year Certification—Completed by Building Owners with respect to the First Year of the Credit Period

7 Eligible basis of building (see instructions)	7	767,389
8a Original qualified basis of the building at close of first year of credit period	8a	767,389
b Are you treating this building as part of a multiple building project for purposes of section 42 (see instructions)?		
		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
9a If box 6a or box 6d is checked, do you elect to reduce eligible basis under section 42(i)(2)(B)?		
		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
b For market-rate units above the average quality standards of low-income units in the building, do you elect to reduce eligible basis by disproportionate costs of non-low income units under section 42(d)(3)(B)?		
		<input type="checkbox"/> Yes <input type="checkbox"/> No
10 Check the appropriate box for each election:		
Caution: Once made, the following elections are irrevocable.		
a Elect to begin credit period the first year after the building is placed in service (section 42(f)(1))	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
b Elect not to treat large partnership as taxpayer (section 42(j)(5))	<input type="checkbox"/> Yes	
c Elect minimum set-aside requirement (section 42(g)) (see instructions)	<input type="checkbox"/> 20-50 <input checked="" type="checkbox"/> 40-60 <input type="checkbox"/> 25-60 (N.Y.C. only)	
d Elect deep rent skewed project (section 142(d)(4)(B)) (see instructions)	<input type="checkbox"/> 15-40	

Under penalties of perjury, I declare that I have examined this form and accompanying attachments, and to the best of my knowledge and belief, they are true, correct, and complete.

45-3133205
Date
 Signature Taxpayer identification number
 Country Village Apartments LLC 2014
 Name (please type or print) First year of the credit period

Low-Income Housing Credit Allocation and Certification

OMB No. 1545-0988

▶ Information about Form 8609 and its separate instructions is at www.irs.gov/form8609.

Part I Allocation of Credit

Check if: Addition to Qualified Basis Amended Form

A Address of building (do not use P.O. box) (see instructions) 107-121 Dorchester Drive Waterbury, CT 06704	B Name and address of housing credit agency Connecticut Housing Finance Authority 999 West Street Rocky Hill, CT 06067
C Name, address, and TIN of building owner receiving allocation Country Village, LLC 1241 Main Street Bridgeport, CT 06604 TIN ▶ 45-3133205	D Employer identification number of agency 06-1267528 E Building identification number (BIN) CT-11-02608

1a Date of allocation ▶ N/A	b Maximum housing credit dollar amount allowable	1b	10,987
2 Maximum applicable credit percentage allowable (see instructions)		2	3.18 %
3a Maximum qualified basis		3a	345,503
b If the eligible basis used in the computation of line 3a was increased, check the applicable box and enter the percentage to which the eligible basis was increased (see instructions)		3b	1 0 0 %
<input type="checkbox"/> Building located in the Gulf Opportunity (GO) Zone, Rita GO Zone, or Wilma GO Zone <input type="checkbox"/> Section 42(d)(5)(B) high cost area provisions			
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-)		4	63.99 %
5 Date building placed in service ▶ 05/08/2013			
6 Check the boxes that describe the allocation for the building (check those that apply):			
a <input type="checkbox"/> Newly constructed and federally subsidized		b <input type="checkbox"/> Newly constructed and not federally subsidized	
c <input checked="" type="checkbox"/> Existing building			
d <input type="checkbox"/> Sec. 42(e) rehabilitation expenditures federally subsidized		e <input type="checkbox"/> Sec. 42(e) rehabilitation expenditures not federally subsidized	
f <input type="checkbox"/> Not federally subsidized by reason of 40-50 rule under sec. 42(i)(2)(E)		g <input type="checkbox"/> Allocation subject to nonprofit set-aside under sec. 42(h)(5)	

Signature of Authorized Housing Credit Agency Official—Completed by Housing Credit Agency Only

Under penalties of perjury, I declare that the allocation made is in compliance with the requirements of section 42 of the Internal Revenue Code, and that I have examined this form and to the best of my knowledge and belief, the information is true, correct, and complete.

Signature of authorized official
 ▶ **Dara Kovel - VP, Housing Development**
 Name (please type or print)
 ▶ **2/27/15**
 Date

Part II First-Year Certification—Completed by Building Owners with respect to the First Year of the Credit Period

7 Eligible basis of building (see instructions)	7	345,501
8a Original qualified basis of the building at close of first year of credit period	8a	345,501
b Are you treating this building as part of a multiple building project for purposes of section 42 (see instructions)?		
		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
9a If box 6a or box 6d is checked, do you elect to reduce eligible basis under section 42(i)(2)(B)?		
		<input type="checkbox"/> Yes <input type="checkbox"/> No
b For market-rate units above the average quality standards of low-income units in the building, do you elect to reduce eligible basis by disproportionate costs of non-low income units under section 42(d)(3)(B)?		
		<input type="checkbox"/> Yes <input type="checkbox"/> No
10 Check the appropriate box for each election:		
Caution: Once made, the following elections are irrevocable.		
a Elect to begin credit period the first year after the building is placed in service (section 42(f)(1))	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
b Elect not to treat large partnership as taxpayer (section 42(j)(5))	<input type="checkbox"/> Yes	
c Elect minimum set-aside requirement (section 42(g)) (see instructions)	<input type="checkbox"/> 20-50 <input checked="" type="checkbox"/> 40-60 <input type="checkbox"/> 25-60 (N.Y.C. only)	
d Elect deep rent skewed project (section 142(d)(4)(B)) (see instructions)	<input type="checkbox"/> 15-40	

Under penalties of perjury, I declare that I have examined this form and accompanying attachments, and to the best of my knowledge and belief, they are true, correct, and complete.

Signature
 ▶ 45-3133205
 Taxpayer identification number
 ▶
 Date

Country Village Apartments LLC
 ▶ 2014
 First year of the credit period

Low-Income Housing Credit Allocation and Certification

▶ Information about Form 8609 and its separate instructions is at www.irs.gov/form8609.

Part I Allocation of Credit

Check if: Addition to Qualified Basis Amended Form

A Address of building (do not use P.O. box) (see instructions) 107-121 Dorchester Drive Waterbury, CT 06704	B Name and address of housing credit agency Connecticut Housing Finance Authority 999 West Street Rocky Hill, CT 06067
C Name, address, and TIN of building owner receiving allocation Country Village, LLC 1241 Main Street Bridgeport, CT 06604 TIN ▶ 45-3133205	D Employer identification number of agency 06-1267528 E Building Identification number (BIN) CT-11-02608

1a Date of allocation ▶ N/A	b Maximum housing credit dollar amount allowable	1b	25,094
2 Maximum applicable credit percentage allowable (see instructions)		2	3.27 %
3a Maximum qualified basis		3a	767,401
b If the eligible basis used in the computation of line 3a was increased, check the applicable box and enter the percentage to which the eligible basis was increased (see instructions)		3b	1 3 0 %
<input type="checkbox"/> Building located in the Gulf Opportunity (GO) Zone, Rita GO Zone, or Wilma GO Zone <input checked="" type="checkbox"/> Section 42(d)(5)(B) high cost area provisions			
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-)		4	63.99 %
5 Date building placed in service ▶ 02/01/2014			
6 Check the boxes that describe the allocation for the building (check those that apply):			
a <input type="checkbox"/> Newly constructed and federally subsidized		b <input type="checkbox"/> Newly constructed and not federally subsidized	
c <input type="checkbox"/> Existing building		d <input checked="" type="checkbox"/> Sec. 42(e) rehabilitation expenditures federally subsidized	
e <input type="checkbox"/> Sec. 42(e) rehabilitation expenditures not federally subsidized		f <input type="checkbox"/> Not federally subsidized by reason of 40-50 rule under sec. 42(f)(2)(E)	
g <input type="checkbox"/> Allocation subject to nonprofit set-aside under sec. 42(h)(5)			

Signature of Authorized Housing Credit Agency Official—Completed by Housing Credit Agency Only

Under penalties of perjury, I declare that the allocation made is in compliance with the requirements of section 42 of the Internal Revenue Code, and that I have examined this form and to the best of my knowledge and belief, the information is true, correct, and complete.

Signature of authorized official
 Dara Kovel - VP, Housing Development
 Name (please type or print)
 2/27/15
 Date

Part II First-Year Certification—Completed by Building Owners with respect to the First Year of the Credit Period

7 Eligible basis of building (see instructions)	7	767,389
8a Original qualified basis of the building at close of first year of credit period	8a	767,389
b Are you treating this building as part of a multiple building project for purposes of section 42 (see instructions)?		
		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
9a If box 6a or box 6d is checked, do you elect to reduce eligible basis under section 42(f)(2)(B)?		
		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
b For market-rate units above the average quality standards of low-income units in the building, do you elect to reduce eligible basis by disproportionate costs of non-low income units under section 42(d)(3)(B)?		
		<input type="checkbox"/> Yes <input type="checkbox"/> No
10 Check the appropriate box for each election:		
Caution: Once made, the following elections are irrevocable.		
a Elect to begin credit period the first year after the building is placed in service (section 42(f)(1))		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
b Elect not to treat large partnership as taxpayer (section 42(j)(5))		<input type="checkbox"/> Yes
c Elect minimum set-aside requirement (section 42(g)) (see instructions) <input type="checkbox"/> 20-50 <input checked="" type="checkbox"/> 40-60		<input type="checkbox"/> 25-60 (N.Y.C. only)
d Elect deep rent skewed project (section 142(d)(4)(B)) (see instructions)		<input type="checkbox"/> 15-40

Under penalties of perjury, I declare that I have examined this form and accompanying attachments, and to the best of my knowledge and belief, they are true, correct, and complete.

Signature
 45-3133205
 Taxpayer identification number
 2014
 First year of the credit period

Country Village Apartments LLC
 Name (please type or print)

Low-Income Housing Credit Allocation and Certification

OMB No. 1545-0988

▶ Information about Form 8609 and its separate instructions is at www.irs.gov/form8609.

Part I Allocation of Credit

Check if: Addition to Qualified Basis Amended Form

A Address of building (do not use P.O. box) (see instructions) 125-139 Dorchester Drive Waterbury, CT 06704	B Name and address of housing credit agency Connecticut Housing Finance Authority 999 West Street Rocky Hill, CT 06067
C Name, address, and TIN of building owner receiving allocation Country Village, LLC 1241 Main Street Bridgeport, CT 06604 TIN ▶ 45-3133205	D Employer identification number of agency <div style="text-align: right;">06-1267528</div> E Building identification number (BIN) <div style="text-align: right;">CT-11-02609</div>

1a Date of allocation ▶ N/A b Maximum housing credit dollar amount allowable	1b	10,987
2 Maximum applicable credit percentage allowable (see instructions)	2	3.18 %
3a Maximum qualified basis	3a	345,503
b If the eligible basis used in the computation of line 3a was increased, check the applicable box and enter the percentage to which the eligible basis was increased (see instructions)	3b	1 0 0 %
<input type="checkbox"/> Building located in the Gulf Opportunity (GO) Zone, Rita GO Zone, or Wilma GO Zone <input type="checkbox"/> Section 42(d)(5)(B) high cost area provisions		
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-.)	4	63.99 %
5 Date building placed in service		▶ 05/08/2013
6 Check the boxes that describe the allocation for the building (check those that apply): a <input type="checkbox"/> Newly constructed and federally subsidized b <input type="checkbox"/> Newly constructed and not federally subsidized c <input checked="" type="checkbox"/> Existing building d <input type="checkbox"/> Sec. 42(e) rehabilitation expenditures federally subsidized e <input type="checkbox"/> Sec. 42(e) rehabilitation expenditures not federally subsidized f <input type="checkbox"/> Not federally subsidized by reason of 40-50 rule under sec. 42(f)(2)(E) g <input type="checkbox"/> Allocation subject to nonprofit set-aside under sec. 42(h)(5)		

Signature of Authorized Housing Credit Agency Official—Completed by Housing Credit Agency Only

Under penalties of perjury, I declare that the allocation made is in compliance with the requirements of section 42 of the Internal Revenue Code, and that I have examined this form and to the best of my knowledge and belief, the information is true, correct, and complete.

Signature of authorized official	Dara Kovel - VP, Housing Development Name (please type or print)	2/27/15 Date
----------------------------------	---	-----------------

Part II First-Year Certification—Completed by Building Owners with respect to the First Year of the Credit Period

7 Eligible basis of building (see instructions)	7	345,501
8a Original qualified basis of the building at close of first year of credit period	8a	345,501
b Are you treating this building as part of a multiple building project for purposes of section 42 (see instructions)?		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
9a If box 6a or box 6d is checked, do you elect to reduce eligible basis under section 42(i)(2)(B)?		<input type="checkbox"/> Yes <input type="checkbox"/> No
b For market-rate units above the average quality standards of low-income units in the building, do you elect to reduce eligible basis by disproportionate costs of non-low income units under section 42(d)(3)(B)?		<input type="checkbox"/> Yes <input type="checkbox"/> No
10 Check the appropriate box for each election:		
Caution: Once made, the following elections are irrevocable.		
a Elect to begin credit period the first year after the building is placed in service (section 42(f)(1))		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
b Elect not to treat large partnership as taxpayer (section 42(j)(5))		<input type="checkbox"/> Yes
c Elect minimum set-aside requirement (section 42(g)) (see instructions) <input type="checkbox"/> 20-50 <input checked="" type="checkbox"/> 40-60		<input type="checkbox"/> 25-60 (N.Y.C. only)
d Elect deep rent skewed project (section 142(d)(4)(B)) (see instructions)		<input type="checkbox"/> 15-40

Under penalties of perjury, I declare that I have examined this form and accompanying attachments, and to the best of my knowledge and belief, they are true, correct, and complete.

Signature	45-3133205 Taxpayer identification number	Date
Country Village Apartments LLC Name (please type or print)	2014 First year of the credit period	

Low-Income Housing Credit Allocation and Certification

OMB No. 1545-0988

▶ Information about Form 8609 and its separate instructions is at www.irs.gov/form8609.

Part I Allocation of Credit

Check if: Addition to Qualified Basis Amended Form

A Address of building (do not use P.O. box) (see instructions) 125-139 Dorchester Drive Waterbury, CT 06704	B Name and address of housing credit agency Connecticut Housing Finance Authority 999 West Street Rocky Hill, CT 06067
C Name, address, and TIN of building owner receiving allocation Country Village, LLC 1241 Main Street Bridgeport, CT 06604 TIN ▶ 45-3133205	D Employer identification number of agency <div style="text-align: right;">06-1267528</div> E Building identification number (BIN) <div style="text-align: right;">CT-11-02609</div>

1a Date of allocation ▶ N/A b Maximum housing credit dollar amount allowable	1b	25,094
2 Maximum applicable credit percentage allowable (see instructions)	2	3.27%
3a Maximum qualified basis	3a	767,401
b If the eligible basis used in the computation of line 3a was increased, check the applicable box and enter the percentage to which the eligible basis was increased (see instructions)	3b	1 3 0 %
<input type="checkbox"/> Building located in the Gulf Opportunity (GO) Zone, Rita GO Zone, or Wilma GO Zone <input checked="" type="checkbox"/> Section 42(d)(5)(B) high cost area provisions		
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-)	4	63.99%
5 Date building placed in service ▶ 02/01/2014		
6 Check the boxes that describe the allocation for the building (check those that apply):		
a <input type="checkbox"/> Newly constructed and federally subsidized b <input type="checkbox"/> Newly constructed and not federally subsidized c <input type="checkbox"/> Existing building		
d <input checked="" type="checkbox"/> Sec. 42(e) rehabilitation expenditures federally subsidized e <input type="checkbox"/> Sec. 42(e) rehabilitation expenditures not federally subsidized		
f <input type="checkbox"/> Not federally subsidized by reason of 40-50 rule under sec. 42(l)(2)(E) g <input type="checkbox"/> Allocation subject to nonprofit set-aside under sec. 42(h)(5)		

Signature of Authorized Housing Credit Agency Official—Completed by Housing Credit Agency Only

Under penalties of perjury, I declare that the allocation made is in compliance with the requirements of section 42 of the Internal Revenue Code, and that I have examined this form and to the best of my knowledge and belief, the information is true, correct, and complete.

Dara Kovel - VP, Housing Development
2/27/15
Signature of authorized official
Name (please type or print)
Date

Part II First-Year Certification—Completed by Building Owners with respect to the First Year of the Credit Period

7 Eligible basis of building (see instructions)	7	767,389
8a Original qualified basis of the building at close of first year of credit period	8a	767,389
b Are you treating this building as part of a multiple building project for purposes of section 42 (see instructions)?		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
9a If box 6a or box 6d is checked, do you elect to reduce eligible basis under section 42(l)(2)(B)?		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
b For market-rate units above the average quality standards of low-income units in the building, do you elect to reduce eligible basis by disproportionate costs of non-low income units under section 42(d)(3)(B)?		<input type="checkbox"/> Yes <input type="checkbox"/> No
10 Check the appropriate box for each election: Caution: Once made, the following elections are irrevocable.		
a Elect to begin credit period the first year after the building is placed in service (section 42(f)(1))		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
b Elect not to treat large partnership as taxpayer (section 42(j)(5))		<input type="checkbox"/> Yes
c Elect minimum set-aside requirement (section 42(g)) (see instructions)		<input type="checkbox"/> 20-50 <input checked="" type="checkbox"/> 40-60 <input type="checkbox"/> 25-60 (N.Y.C. only)
d Elect deep rent skewed project (section 142(d)(4)(B)) (see instructions)		<input type="checkbox"/> 15-40

Under penalties of perjury, I declare that I have examined this form and accompanying attachments, and to the best of my knowledge and belief, they are true, correct, and complete.

45-3133205
Date
Signature
Taxpayer identification number

Country Village Apartments LLC
2014
Name (please type or print)
First year of the credit period

Low-Income Housing Credit Allocation and Certification

OMB No. 1545-0988

▶ Information about Form 8609 and its separate instructions is at www.irs.gov/form8609.

Part I Allocation of Credit

Check if: Addition to Qualified Basis Amended Form

A Address of building (do not use P.O. box) (see Instructions) 141-157 Dorchester Drive Waterbury, CT 06704	B Name and address of housing credit agency Connecticut Housing Finance Authority 999 West Street Rocky Hill, CT 06067
C Name, address, and TIN of building owner receiving allocation Country Village, LLC 1241 Main Street Bridgeport, CT 06604 TIN ▶ 45-3133205	D Employer identification number of agency 06-1267528 E Building identification number (BIN) CT-11-02610

1a Date of allocation ▶ N/A	b Maximum housing credit dollar amount allowable	1b	10,848
2 Maximum applicable credit percentage allowable (see instructions)		2	3.18 %
3a Maximum qualified basis		3a	341,132
b If the eligible basis used in the computation of line 3a was increased, check the applicable box and enter the percentage to which the eligible basis was increased (see instructions)		3b	1 0 0 %
<input type="checkbox"/> Building located in the Gulf Opportunity (GO) Zone, Rita GO Zone, or Wilma GO Zone <input type="checkbox"/> Section 42(d)(5)(B) high cost area provisions			
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-.)		4	63.99 %
5 Date building placed in service ▶ 05/08/2013			
6 Check the boxes that describe the allocation for the building (check those that apply):			
a <input type="checkbox"/> Newly constructed and federally subsidized		b <input type="checkbox"/> Newly constructed and not federally subsidized	
c <input checked="" type="checkbox"/> Existing building			
d <input type="checkbox"/> Sec. 42(e) rehabilitation expenditures federally subsidized		e <input type="checkbox"/> Sec. 42(e) rehabilitation expenditures not federally subsidized	
f <input type="checkbox"/> Not federally subsidized by reason of 40-50 rule under sec. 42(l)(2)(E)		g <input type="checkbox"/> Allocation subject to nonprofit set-aside under sec. 42(h)(5)	

Signature of Authorized Housing Credit Agency Official—Completed by Housing Credit Agency Only

Under penalties of perjury, I declare that the allocation made is in compliance with the requirements of section 42 of the Internal Revenue Code, and that I have examined this form and to the best of my knowledge and belief, the information is true, correct, and complete.

Signature of authorized official	Dara Kovel - VP, Housing Development Name (please type or print)	2/27/15 Date
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Part II First-Year Certification—Completed by Building Owners with respect to the First Year of the Credit Period

7 Eligible basis of building (see Instructions)	7	341,125
8a Original qualified basis of the building at close of first year of credit period	8a	341,125
b Are you treating this building as part of a multiple building project for purposes of section 42 (see instructions)?		
		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
9a If box 6a or box 6d is checked, do you elect to reduce eligible basis under section 42(l)(2)(B)?		
		<input type="checkbox"/> Yes <input type="checkbox"/> No
b For market-rate units above the average quality standards of low-income units in the building, do you elect to reduce eligible basis by disproportionate costs of non-low income units under section 42(d)(3)(B)? ▶		
		<input type="checkbox"/> Yes <input type="checkbox"/> No
10 Check the appropriate box for each election:		
Caution: Once made, the following elections are irrevocable.		
a Elect to begin credit period the first year after the building is placed in service (section 42(l)(1)) ▶	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
b Elect not to treat large partnership as taxpayer (section 42(j)(5)) ▶	<input type="checkbox"/> Yes	
c Elect minimum set-aside requirement (section 42(g)) (see instructions) <input type="checkbox"/> 20-50 <input checked="" type="checkbox"/> 40-60	<input type="checkbox"/> 25-60 (N.Y.C. only)	
d Elect deep rent skewed project (section 142(d)(4)(B)) (see instructions)	<input type="checkbox"/> 15-40	

Under penalties of perjury, I declare that I have examined this form and accompanying attachments, and to the best of my knowledge and belief, they are true, correct, and complete.

Signature	45-3133205 Taxpayer identification number	Date
Country Village Apartments LLC Name (please type or print)	2014 First year of the credit period	

Low-Income Housing Credit Allocation and Certification

OMB No. 1545-0988

▶ Information about Form 8609 and its separate instructions is at www.irs.gov/form8609.

Part I Allocation of Credit

Check if: Addition to Qualified Basis Amended Form

A Address of building (do not use P.O. box) (see instructions) 141-157 Dorchester Drive Waterbury, CT 06704	B Name and address of housing credit agency Connecticut Housing Finance Authority 999 West Street Rocky Hill, CT 06067
C Name, address, and TIN of building owner receiving allocation Country Village, LLC 1241 Main Street Bridgeport, CT 06604 TIN ▶ 45-3133205	D Employer identification number of agency <div style="text-align: right;">06-1267528</div> E Building identification number (BIN) <div style="text-align: right;">CT-11-02610</div>

1a Date of allocation ▶ N/A	b Maximum housing credit dollar amount allowable	1b	24,776
2 Maximum applicable credit percentage allowable (see instructions)		2	3.27%
3a Maximum qualified basis		3a	757,676
b If the eligible basis used in the computation of line 3a was increased, check the applicable box and enter the percentage to which the eligible basis was increased (see instructions)		3b	1 <u>3</u> <u>0</u> %
<input type="checkbox"/> Building located in the Gulf Opportunity (GO) Zone, Rita GO Zone, or Wilma GO Zone <input checked="" type="checkbox"/> Section 42(d)(5)(B) high cost area provisions			
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-)		4	63.99%
5 Date building placed in service ▶ 02/01/2014			
6 Check the boxes that describe the allocation for the building (check those that apply):			
a <input type="checkbox"/> Newly constructed and federally subsidized		b <input type="checkbox"/> Newly constructed and not federally subsidized	
c <input type="checkbox"/> Existing building		d <input checked="" type="checkbox"/> Sec. 42(e) rehabilitation expenditures federally subsidized	
e <input type="checkbox"/> Sec. 42(e) rehabilitation expenditures not federally subsidized		f <input type="checkbox"/> Not federally subsidized by reason of 40-50 rule under sec. 42(i)(2)(E)	
g <input type="checkbox"/> Allocation subject to nonprofit set-aside under sec. 42(h)(5)			

Signature of Authorized Housing Credit Agency Official—Completed by Housing Credit Agency Only

Under penalties of perjury, I declare that the allocation made is in compliance with the requirements of section 42 of the Internal Revenue Code, and that I have examined this form and to the best of my knowledge and belief, the information is true, correct, and complete.

▶ Dara Kovel - VP, Housing Development
▶ 2/27/15
Signature of authorized official
Name (please type or print)
Date

Part II First-Year Certification—Completed by Building Owners with respect to the First Year of the Credit Period

7 Eligible basis of building (see instructions)	7	757,670
8a Original qualified basis of the building at close of first year of credit period	8a	757,670
b Are you treating this building as part of a multiple building project for purposes of section 42 (see instructions)?		
		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
9a If box 6a or box 6d is checked, do you elect to reduce eligible basis under section 42(i)(2)(B)?		
		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
b For market-rate units above the average quality standards of low-income units in the building, do you elect to reduce eligible basis by disproportionate costs of non-low income units under section 42(d)(3)(B)? ▶		
		<input type="checkbox"/> Yes <input type="checkbox"/> No
10 Check the appropriate box for each election: Caution: Once made, the following elections are irrevocable.		
a Elect to begin credit period the first year after the building is placed in service (section 42(f)(1)) ▶		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
b Elect not to treat large partnership as taxpayer (section 42(j)(5)) ▶		<input type="checkbox"/> Yes
c Elect minimum set-aside requirement (section 42(g)) (see instructions) <input type="checkbox"/> 20-50 <input checked="" type="checkbox"/> 40-60		<input type="checkbox"/> 25-60 (N.Y.C. only)
d Elect deep rent skewed project (section 142(d)(4)(B)) (see instructions)		<input type="checkbox"/> 15-40

Under penalties of perjury, I declare that I have examined this form and accompanying attachments, and to the best of my knowledge and belief, they are true, correct, and complete.

▶ 45-3133205
▶ _____
Signature
Taxpayer identification number
Date

▶ Country Village Apartments LLC
▶ 2014
Name (please type or print)
First year of the credit period

Low-Income Housing Credit Allocation and Certification

OMB No. 1545-0988

▶ Information about Form 8609 and its separate instructions is at www.irs.gov/form8609.

Part I Allocation of Credit

Check if: Addition to Qualified Basis Amended Form

A Address of building (do not use P.O. box) (see Instructions) 161-175 Dorchester Drive Waterbury, CT 06704	B Name and address of housing credit agency Connecticut Housing Finance Authority 999 West Street Rocky Hill, CT 06067
C Name, address, and TIN of building owner receiving allocation Country Village, LLC 1241 Main Street Bridgeport, CT 06604 TIN ▶ 45-3133205	D Employer identification number of agency <div style="text-align: right;">06-1267528</div> E Building identification number (BIN) <div style="text-align: right;">CT-11-02611</div>

1a Date of allocation ▶ N/A	b Maximum housing credit dollar amount allowable	1b	10,987
2 Maximum applicable credit percentage allowable (see instructions)		2	3.18%
3a Maximum qualified basis		3a	345,503
b If the eligible basis used in the computation of line 3a was increased, check the applicable box and enter the percentage to which the eligible basis was increased (see instructions)		3b	1 0 0 %
<input type="checkbox"/> Building located in the Gulf Opportunity (GO) Zone, Rita GO Zone, or Wilma GO Zone <input type="checkbox"/> Section 42(d)(5)(B) high cost area provisions			
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-.)		4	63.99%
5 Date building placed in service ▶ 05/08/2013			
6 Check the boxes that describe the allocation for the building (check those that apply):			
a <input type="checkbox"/> Newly constructed and federally subsidized		b <input type="checkbox"/> Newly constructed and not federally subsidized	
c <input checked="" type="checkbox"/> Existing building			
d <input type="checkbox"/> Sec. 42(e) rehabilitation expenditures federally subsidized		e <input type="checkbox"/> Sec. 42(e) rehabilitation expenditures not federally subsidized	
f <input type="checkbox"/> Not federally subsidized by reason of 40-50 rule under sec. 42(f)(2)(E)		g <input type="checkbox"/> Allocation subject to nonprofit set-aside under sec. 42(h)(5)	

Signature of Authorized Housing Credit Agency Official—Completed by Housing Credit Agency Only

Under penalties of perjury, I declare that the allocation made is in compliance with the requirements of section 42 of the Internal Revenue Code, and that I have examined this form and to the best of my knowledge and belief, the information is true, correct, and complete.

Dara Kovel - VP, Housing Development
2/27/15
Signature of authorized official
Name (please type or print)
Date

Part II First-Year Certification—Completed by Building Owners with respect to the First Year of the Credit Period

7 Eligible basis of building (see Instructions)	7	345,501
8a Original qualified basis of the building at close of first year of credit period	8a	345,501
b Are you treating this building as part of a multiple building project for purposes of section 42 (see instructions)?		
		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
9a If box 6a or box 6d is checked, do you elect to reduce eligible basis under section 42(i)(2)(B)?		
		<input type="checkbox"/> Yes <input type="checkbox"/> No
b For market-rate units above the average quality standards of low-income units in the building, do you elect to reduce eligible basis by disproportionate costs of non-low income units under section 42(d)(3)(B)?		
		<input type="checkbox"/> Yes <input type="checkbox"/> No
10 Check the appropriate box for each election:		
Caution: Once made, the following elections are irrevocable.		
a Elect to begin credit period the first year after the building is placed in service (section 42(f)(1))	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
b Elect not to treat large partnership as taxpayer (section 42(j)(5))	<input type="checkbox"/> Yes	
c Elect minimum set-aside requirement (section 42(g)) (see instructions) <input type="checkbox"/> 20-50 <input checked="" type="checkbox"/> 40-60	<input type="checkbox"/> 25-60 (N.Y.C. only)	
d Elect deep rent skewed project (section 142(d)(4)(B)) (see instructions)	<input type="checkbox"/> 15-40	

Under penalties of perjury, I declare that I have examined this form and accompanying attachments, and to the best of my knowledge and belief, they are true, correct, and complete.

45-3133205
Date
Signature
Taxpayer identification number

Country Village Apartments LLC
2014
Name (please type or print)
First year of the credit period

Low-Income Housing Credit Allocation and Certification

OMB No. 1545-0988

▶ Information about Form 8609 and its separate instructions is at www.irs.gov/form8609.

Part I Allocation of Credit

Check if: Addition to Qualified Basis Amended Form

A Address of building (do not use P.O. box) (see instructions) 161-175 Dorchester Drive Waterbury, CT 06704	B Name and address of housing credit agency Connecticut Housing Finance Authority 999 West Street Rocky Hill, CT 06067
C Name, address, and TIN of building owner receiving allocation Country Village, LLC 1241 Main Street Bridgeport, CT 06604 TIN ▶ 45-3133205	D Employer identification number of agency 06-1267528 E Building identification number (BIN) CT-11-02611

1a Date of allocation ▶ N/A	b Maximum housing credit dollar amount allowable	1b	25,094
2 Maximum applicable credit percentage allowable (see instructions)		2	3.27%
3a Maximum qualified basis		3a	767,389
b If the eligible basis used in the computation of line 3a was increased, check the applicable box and enter the percentage to which the eligible basis was increased (see instructions)		3b	1 3 0 %
<input type="checkbox"/> Building located in the Gulf Opportunity (GO) Zone, Rita GO Zone, or Wilma GO Zone <input checked="" type="checkbox"/> Section 42(d)(5)(B) high cost area provisions			
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-)		4	63.99%
5 Date building placed in service ▶ 02/01/2014			
6 Check the boxes that describe the allocation for the building (check those that apply):			
a <input type="checkbox"/> Newly constructed and federally subsidized		b <input type="checkbox"/> Newly constructed and not federally subsidized	
c <input type="checkbox"/> Existing building		d <input checked="" type="checkbox"/> Sec. 42(e) rehabilitation expenditures federally subsidized	
e <input type="checkbox"/> Sec. 42(e) rehabilitation expenditures not federally subsidized		f <input type="checkbox"/> Not federally subsidized by reason of 40-50 rule under sec. 42(f)(2)(E)	
g <input type="checkbox"/> Allocation subject to nonprofit set-aside under sec. 42(h)(5)			

Signature of Authorized Housing Credit Agency Official—Completed by Housing Credit Agency Only

Under penalties of perjury, I declare that the allocation made is in compliance with the requirements of section 42 of the Internal Revenue Code, and that I have examined this form and to the best of my knowledge and belief, the information is true, correct, and complete.

Signature of authorized official
 ▶ **Dara Kovel - VP, Housing Development**
 Name (please type or print)
 ▶ 2/27/15
 Date

Part II First-Year Certification—Completed by Building Owners with respect to the First Year of the Credit Period

7 Eligible basis of building (see instructions)	7	767,389
8a Original qualified basis of the building at close of first year of credit period	8a	767,389
b Are you treating this building as part of a multiple building project for purposes of section 42 (see instructions)?		
		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
9a If box 8a or box 6d is checked, do you elect to reduce eligible basis under section 42(f)(2)(B)?		
		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
b For market-rate units above the average quality standards of low-income units in the building, do you elect to reduce eligible basis by disproportionate costs of non-low income units under section 42(d)(3)(B)? ▶		
		<input type="checkbox"/> Yes <input type="checkbox"/> No
10 Check the appropriate box for each election:		
Caution: Once made, the following elections are irrevocable.		
a Elect to begin credit period the first year after the building is placed in service (section 42(f)(1)) ▶		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
b Elect not to treat large partnership as taxpayer (section 42(j)(5)) ▶		<input type="checkbox"/> Yes
c Elect minimum set-aside requirement (section 42(g)) (see instructions) <input type="checkbox"/> 20-50 <input checked="" type="checkbox"/> 40-60		<input type="checkbox"/> 25-60 (N.Y.C. only)
d Elect deep rent skewed project (section 142(d)(4)(B)) (see instructions)		<input type="checkbox"/> 15-40

Under penalties of perjury, I declare that I have examined this form and accompanying attachments, and to the best of my knowledge and belief, they are true, correct, and complete.

Signature
 ▶ 45-3133205
 Taxpayer identification number
 ▶
 Date

Country Village Apartments LLC
 ▶ 2014
 First year of the credit period

Low-Income Housing Credit Allocation and Certification

OMB No. 1545-0988

▶ Information about Form 8609 and its separate instructions is at www.irs.gov/form8609.

Part I Allocation of Credit

Check if: Addition to Qualified Basis Amended Form

A Address of building (do not use P.O. box) (see instructions) 177-191 Dorchester Drive Waterbury, CT 06704	B Name and address of housing credit agency Connecticut Housing Finance Authority 999 West Street Rocky Hill, CT 06067
C Name, address, and TIN of building owner receiving allocation Country Village, LLC 1241 Main Street Bridgeport, CT 06604 TIN ▶ 45-3133205	D Employer identification number of agency <div style="text-align: right;">06-1267528</div> E Building identification number (BIN) <div style="text-align: right;">CT-11-02612</div>

1a Date of allocation ▶ N/A		b Maximum housing credit dollar amount allowable	1b	10,215
2 Maximum applicable credit percentage allowable (see instructions)			2	3.18 %
3a Maximum qualified basis			3a	321,226
b If the eligible basis used in the computation of line 3a was increased, check the applicable box and enter the percentage to which the eligible basis was increased (see instructions)			3b	1 0 0 %
<input type="checkbox"/> Building located in the Gulf Opportunity (GO) Zone, Rita GO Zone, or Wilma GO Zone				
<input type="checkbox"/> Section 42(d)(5)(B) high cost area provisions				
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-.)			4	63.99 %
5 Date building placed in service ▶ 05/08/2013				
6 Check the boxes that describe the allocation for the building (check those that apply):				
a <input type="checkbox"/> Newly constructed and federally subsidized	b <input type="checkbox"/> Newly constructed and not federally subsidized	c <input checked="" type="checkbox"/> Existing building		
d <input type="checkbox"/> Sec. 42(e) rehabilitation expenditures federally subsidized	e <input type="checkbox"/> Sec. 42(e) rehabilitation expenditures not federally subsidized			
f <input type="checkbox"/> Not federally subsidized by reason of 40-50 rule under sec. 42(i)(2)(E)	g <input type="checkbox"/> Allocation subject to nonprofit set-aside under sec. 42(h)(5)			

Signature of Authorized Housing Credit Agency Official—Completed by Housing Credit Agency Only

Under penalties of perjury, I declare that the allocation made is in compliance with the requirements of section 42 of the Internal Revenue Code, and that I have examined this form and to the best of my knowledge and belief, the information is true, correct, and complete.

Signature of authorized official	Dara Kovel - VP, Housing Development Name (please type or print)	2/27/15 Date
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Part II First-Year Certification—Completed by Building Owners with respect to the First Year of the Credit Period

7 Eligible basis of building (see instructions)			7	321,221
8a Original qualified basis of the building at close of first year of credit period			8a	321,221
b Are you treating this building as part of a multiple building project for purposes of section 42 (see instructions)?				<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
9a If box 6a or box 6d is checked, do you elect to reduce eligible basis under section 42(i)(2)(B)?				<input type="checkbox"/> Yes <input type="checkbox"/> No
b For market-rate units above the average quality standards of low-income units in the building, do you elect to reduce eligible basis by disproportionate costs of non-low income units under section 42(d)(3)(B)?				<input type="checkbox"/> Yes <input type="checkbox"/> No
10 Check the appropriate box for each election: Caution: Once made, the following elections are irrevocable.				
a Elect to begin credit period the first year after the building is placed in service (section 42(f)(1))				<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
b Elect not to treat large partnership as taxpayer (section 42(j)(5))				<input type="checkbox"/> Yes
c Elect minimum set-aside requirement (section 42(g)) (see instructions) <input type="checkbox"/> 20-50 <input checked="" type="checkbox"/> 40-60				<input type="checkbox"/> 25-60 (N.Y.C. only)
d Elect deep rent skewed project (section 142(d)(4)(B)) (see instructions)				<input type="checkbox"/> 15-40

Under penalties of perjury, I declare that I have examined this form and accompanying attachments, and to the best of my knowledge and belief, they are true, correct, and complete.

Signature	45-3133205 Taxpayer identification number	Date
Country Village Apartments LLC Name (please type or print)	2014 First year of the credit period	

Low-Income Housing Credit Allocation and Certification

OMB No. 1545-0988

▶ Information about Form 8609 and its separate instructions is at www.irs.gov/form8609.

Part I Allocation of Credit

Check if: Addition to Qualified Basis Amended Form

A Address of building (do not use P.O. box) (see instructions) 177-191 Dorchester Drive Waterbury, CT 06704	B Name and address of housing credit agency Connecticut Housing Finance Authority 999 West Street Rocky Hill, CT 06067
C Name, address, and TIN of building owner receiving allocation Country Village, LLC 1241 Main Street Bridgeport, CT 06604 TIN ▶ 45-3133205	D Employer identification number of agency <div style="text-align: right;">06-1267528</div> E Building identification number (BIN) <div style="text-align: right;">CT-11-02612</div>

1a Date of allocation ▶ N/A	b Maximum housing credit dollar amount allowable	1b	23,330
2 Maximum applicable credit percentage allowable (see instructions)		2	3.27 %
3a Maximum qualified basis		3a	713,456
b If the eligible basis used in the computation of line 3a was increased, check the applicable box and enter the percentage to which the eligible basis was increased (see instructions)		3b	1 3 0 %
<input type="checkbox"/> Building located in the Gulf Opportunity (GO) Zone, Rita GO Zone, or Wilma GO Zone <input checked="" type="checkbox"/> Section 42(d)(5)(B) high cost area provisions			
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-.)		4	63.99 %
5 Date building placed in service ▶ 02/01/2014			
6 Check the boxes that describe the allocation for the building (check those that apply):			
a <input type="checkbox"/> Newly constructed and federally subsidized		b <input type="checkbox"/> Newly constructed and not federally subsidized	
c <input type="checkbox"/> Existing building		d <input checked="" type="checkbox"/> Sec. 42(e) rehabilitation expenditures federally subsidized	
e <input type="checkbox"/> Sec. 42(e) rehabilitation expenditures not federally subsidized		f <input type="checkbox"/> Not federally subsidized by reason of 40-50 rule under sec. 42(i)(2)(E)	
g <input type="checkbox"/> Allocation subject to nonprofit set-aside under sec. 42(h)(5)			

Signature of Authorized Housing Credit Agency Official—Completed by Housing Credit Agency Only

Under penalties of perjury, I declare that the allocation made is in compliance with the requirements of section 42 of the Internal Revenue Code, and that I have examined this form and to the best of my knowledge and belief, the information is true, correct, and complete.

Dara Kovel - VP, Housing Development
2/27/15
Signature of authorized official
Name (please type or print)
Date

Part II First-Year Certification—Completed by Building Owners with respect to the First Year of the Credit Period

7 Eligible basis of building (see instructions)	7	713,460
8a Original qualified basis of the building at close of first year of credit period	8a	713,460
b Are you treating this building as part of a multiple building project for purposes of section 42 (see instructions)?		
		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
9a If box 6a or box 6d is checked, do you elect to reduce eligible basis under section 42(i)(2)(B)?		
		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
b For market-rate units above the average quality standards of low-income units in the building, do you elect to reduce eligible basis by disproportionate costs of non-low income units under section 42(d)(3)(B)?		
		<input type="checkbox"/> Yes <input type="checkbox"/> No
10 Check the appropriate box for each election:		
Caution: Once made, the following elections are irrevocable.		
a Elect to begin credit period the first year after the building is placed in service (section 42(f)(1)) ▶		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
b Elect not to treat large partnership as taxpayer (section 42(j)(5)) ▶		<input type="checkbox"/> Yes
c Elect minimum set-aside requirement (section 42(g)) (see instructions) <input type="checkbox"/> 20-50 <input checked="" type="checkbox"/> 40-60		<input type="checkbox"/> 25-60 (N.Y.C. only)
d Elect deep rent skewed project (section 142(d)(4)(B)) (see instructions)		<input type="checkbox"/> 15-40

Under penalties of perjury, I declare that I have examined this form and accompanying attachments, and to the best of my knowledge and belief, they are true, correct, and complete.

45-3133205
2014
Signature
Taxpayer identification number
Date
Country Village Apartments LLC
Name (please type or print)
First year of the credit period

Low-Income Housing Credit Allocation and Certification

OMB No. 1545-0988

▶ Information about Form 8609 and its separate instructions is at www.irs.gov/form8609.

Part I Allocation of Credit

Check if: Addition to Qualified Basis Amended Form

A Address of building (do not use P.O. box) (see instructions) 193-207 Dorchester Drive Waterbury, CT 06704	B Name and address of housing credit agency Connecticut Housing Finance Authority 999 West Street Rocky Hill, CT 06067
C Name, address, and TIN of building owner receiving allocation Country Village, LLC 1241 Main Street Bridgeport, CT 06604 TIN ▶ 45-3133205	D Employer identification number of agency 06-1267528 E Building identification number (BIN) CT-11-02613

1a Date of allocation ▶ N/A	b Maximum housing credit dollar amount allowable	1b	10,215
2 Maximum applicable credit percentage allowable (see instructions)		2	3.18 %
3a Maximum qualified basis		3a	321,226
b If the eligible basis used in the computation of line 3a was increased, check the applicable box and enter the percentage to which the eligible basis was increased (see instructions)		3b	1 0 0 %
<input type="checkbox"/> Building located in the Gulf Opportunity (GO) Zone, Rita GO Zone, or Wilma GO Zone <input type="checkbox"/> Section 42(d)(5)(B) high cost area provisions			
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-)		4	63.99 %
5 Date building placed in service ▶	05/08/2013		
6 Check the boxes that describe the allocation for the building (check those that apply): a <input type="checkbox"/> Newly constructed and federally subsidized b <input type="checkbox"/> Newly constructed and not federally subsidized c <input checked="" type="checkbox"/> Existing building d <input type="checkbox"/> Sec. 42(e) rehabilitation expenditures federally subsidized e <input type="checkbox"/> Sec. 42(e) rehabilitation expenditures not federally subsidized f <input type="checkbox"/> Not federally subsidized by reason of 40-50 rule under sec. 42(i)(2)(E) g <input type="checkbox"/> Allocation subject to nonprofit set-aside under sec. 42(h)(5)			

Signature of Authorized Housing Credit Agency Official—Completed by Housing Credit Agency Only

Under penalties of perjury, I declare that the allocation made is in compliance with the requirements of section 42 of the Internal Revenue Code, and that I have examined this form and to the best of my knowledge and belief, the information is true, correct, and complete.

Signature of authorized official	Dara Kovel - VP, Housing Development Name (please type or print)	2/27/15 Date
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Part II First-Year Certification—Completed by Building Owners with respect to the First Year of the Credit Period

7 Eligible basis of building (see instructions)	7	321,221
8a Original qualified basis of the building at close of first year of credit period	8a	321,221
b Are you treating this building as part of a multiple building project for purposes of section 42 (see instructions)?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
9a If box 6a or box 6d is checked, do you elect to reduce eligible basis under section 42(i)(2)(B)?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
b For market-rate units above the average quality standards of low-income units in the building, do you elect to reduce eligible basis by disproportionate costs of non-low income units under section 42(d)(3)(B)?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
10 Check the appropriate box for each election: Caution: Once made, the following elections are irrevocable.		
a Elect to begin credit period the first year after the building is placed in service (section 42(f)(1))	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
b Elect not to treat large partnership as taxpayer (section 42(j)(5))	<input type="checkbox"/> Yes	
c Elect minimum set-aside requirement (section 42(g)) (see instructions) <input type="checkbox"/> 20-50 <input checked="" type="checkbox"/> 40-60	<input type="checkbox"/> 25-60 (N.Y.C. only)	
d Elect deep rent skewed project (section 142(d)(4)(B)) (see instructions)	<input type="checkbox"/> 15-40	

Under penalties of perjury, I declare that I have examined this form and accompanying attachments, and to the best of my knowledge and belief, they are true, correct, and complete.

Signature	45-3133205 Taxpayer identification number	Date
Country Village Apartments LLC Name (please type or print)	2014 First year of the credit period	

Low-Income Housing Credit Allocation and Certification

OMB No. 1545-0988

▶ Information about Form 8609 and its separate instructions is at www.irs.gov/form8609.

Part I Allocation of Credit

Check if: Addition to Qualified Basis Amended Form

A Address of building (do not use P.O. box) (see instructions) 193-207 Dorchester Drive Waterbury, CT 06704	B Name and address of housing credit agency Connecticut Housing Finance Authority 999 West Street Rocky Hill, CT 06067
C Name, address, and TIN of building owner receiving allocation Country Village, LLC 1241 Main Street Bridgeport, CT 06604 TIN ▶ 45-3133205	D Employer identification number of agency <div style="text-align: right;">06-1267528</div> E Building identification number (BIN) <div style="text-align: right;">CT-11-02613</div>

1a Date of allocation ▶ N/A	b Maximum housing credit dollar amount allowable	1b	23,330
2 Maximum applicable credit percentage allowable (see instructions)		2	3.27 %
3a Maximum qualified basis		3a	713,456
b If the eligible basis used in the computation of line 3a was increased, check the applicable box and enter the percentage to which the eligible basis was increased (see instructions)		3b	1 3 0 %
<input type="checkbox"/> Building located in the Gulf Opportunity (GO) Zone, Rita GO Zone, or Wilma GO Zone <input checked="" type="checkbox"/> Section 42(d)(5)(B) high cost area provisions			
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-)		4	63.99 %
5 Date building placed in service ▶ 02/01/2014			
6 Check the boxes that describe the allocation for the building (check those that apply): a <input type="checkbox"/> Newly constructed and federally subsidized b <input type="checkbox"/> Newly constructed and not federally subsidized c <input type="checkbox"/> Existing building d <input checked="" type="checkbox"/> Sec. 42(e) rehabilitation expenditures federally subsidized e <input type="checkbox"/> Sec. 42(e) rehabilitation expenditures not federally subsidized f <input type="checkbox"/> Not federally subsidized by reason of 40-50 rule under sec. 42(f)(2)(E) g <input type="checkbox"/> Allocation subject to nonprofit set-aside under sec. 42(h)(5)			

Signature of Authorized Housing Credit Agency Official—Completed by Housing Credit Agency Only

Under penalties of perjury, I declare that the allocation made is in compliance with the requirements of section 42 of the Internal Revenue Code, and that I have examined this form and to the best of my knowledge and belief, the information is true, correct, and complete.

Dara Kovel - VP, Housing Development
2/27/15
 Signature of authorized official Name (please type or print) Date

Part II First-Year Certification—Completed by Building Owners with respect to the First Year of the Credit Period

7 Eligible basis of building (see instructions)	7	713,460
8a Original qualified basis of the building at close of first year of credit period	8a	713,460
b Are you treating this building as part of a multiple building project for purposes of section 42 (see instructions)?		
		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
9a If box 6a or box 6d is checked, do you elect to reduce eligible basis under section 42(i)(2)(B)?		
		<input type="checkbox"/> Yes <input type="checkbox"/> No
b For market-rate units above the average quality standards of low-income units in the building, do you elect to reduce eligible basis by disproportionate costs of non-low income units under section 42(d)(3)(B)?		
		<input type="checkbox"/> Yes <input type="checkbox"/> No
10 Check the appropriate box for each election: Caution: Once made, the following elections are irrevocable.		
a Elect to begin credit period the first year after the building is placed in service (section 42(f)(1)) ▶		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
b Elect not to treat large partnership as taxpayer (section 42(j)(5)) ▶		<input type="checkbox"/> Yes
c Elect minimum set-aside requirement (section 42(g)) (see instructions) <input type="checkbox"/> 20-50 <input checked="" type="checkbox"/> 40-60		<input type="checkbox"/> 25-60 (N.Y.C. only)
d Elect deep rent skewed project (section 142(d)(4)(B)) (see instructions)		<input type="checkbox"/> 15-40

Under penalties of perjury, I declare that I have examined this form and accompanying attachments, and to the best of my knowledge and belief, they are true, correct, and complete.

45-3133205
2014
 Signature Taxpayer identification number Date
 Country Village Apartments LLC 2014
 Name (please type or print) First year of the credit period

Low-Income Housing Credit Allocation and Certification

OMB No. 1545-0988

▶ Information about Form 8609 and its separate instructions is at www.irs.gov/form8609.

Part I Allocation of Credit

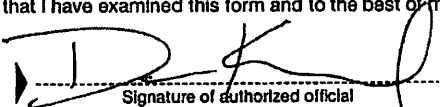
Check if: Addition to Qualified Basis Amended Form

A Address of building (do not use P.O. box) (see instructions) 209 Dorchester Drive & Community Center Waterbury, CT 06704	B Name and address of housing credit agency Connecticut Housing Finance Authority 999 West Street Rocky Hill, CT 06067
C Name, address, and TIN of building owner receiving allocation Country Village, LLC 1241 Main Street Bridgeport, CT 06604 TIN ▶ 45-3133205	D Employer identification number of agency <div style="text-align: right;">06-1267528</div> E Building identification number (BIN) <div style="text-align: right;">CT-11-02614</div>

1a Date of allocation ▶ N/A	b Maximum housing credit dollar amount allowable	1b	10,897
2 Maximum applicable credit percentage allowable (see instructions)		2	3.18 %
3a Maximum qualified basis		3a	342,673
b If the eligible basis used in the computation of line 3a was increased, check the applicable box and enter the percentage to which the eligible basis was increased (see instructions)		3b	1 0 0 %
<input type="checkbox"/> Building located in the Gulf Opportunity (GO) Zone, Rita GO Zone, or Wilma GO Zone <input type="checkbox"/> Section 42(d)(5)(B) high cost area provisions			
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-.)		4	63.99 %
5 Date building placed in service ▶ 05/08/2013			
6 Check the boxes that describe the allocation for the building (check those that apply):			
a <input type="checkbox"/> Newly constructed and federally subsidized		b <input type="checkbox"/> Newly constructed and not federally subsidized	
c <input checked="" type="checkbox"/> Existing building			
d <input type="checkbox"/> Sec. 42(e) rehabilitation expenditures federally subsidized		e <input type="checkbox"/> Sec. 42(e) rehabilitation expenditures not federally subsidized	
f <input type="checkbox"/> Not federally subsidized by reason of 40-50 rule under sec. 42(f)(2)(E)		g <input type="checkbox"/> Allocation subject to nonprofit set-aside under sec. 42(h)(5)	

Signature of Authorized Housing Credit Agency Official—Completed by Housing Credit Agency Only

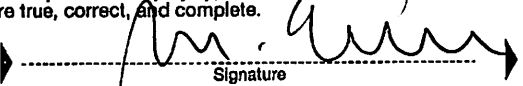
Under penalties of perjury, I declare that the allocation made is in compliance with the requirements of section 42 of the Internal Revenue Code, and that I have examined this form and to the best of my knowledge and belief, the information is true, correct, and complete.


▶ **Dara Kovel - VP, Housing Development**
▶ 2/27/15
Signature of authorized official
Name (please type or print)
Date

Part II First-Year Certification—Completed by Building Owners with respect to the First Year of the Credit Period

7 Eligible basis of building (see instructions)	7	342,670
8a Original qualified basis of the building at close of first year of credit period	8a	342,670
b Are you treating this building as part of a multiple building project for purposes of section 42 (see instructions)?		
		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
9a If box 6a or box 6d is checked, do you elect to reduce eligible basis under section 42(f)(2)(B)?		
		<input type="checkbox"/> Yes <input type="checkbox"/> No
b For market-rate units above the average quality standards of low-income units in the building, do you elect to reduce eligible basis by disproportionate costs of non-low income units under section 42(d)(3)(B)?		
		<input type="checkbox"/> Yes <input type="checkbox"/> No
10 Check the appropriate box for each election:		
Caution: Once made, the following elections are irrevocable.		
a Elect to begin credit period the first year after the building is placed in service (section 42(f)(1)) ▶	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
b Elect not to treat large partnership as taxpayer (section 42(j)(5)) ▶	<input type="checkbox"/> Yes	
c Elect minimum set-aside requirement (section 42(g)) (see instructions) <input type="checkbox"/> 20-50 <input checked="" type="checkbox"/> 40-60	<input type="checkbox"/> 25-60 (N.Y.C. only)	
d Elect deep rent skewed project (section 142(d)(4)(B)) (see instructions)	<input type="checkbox"/> 15-40	

Under penalties of perjury, I declare that I have examined this form and accompanying attachments, and to the best of my knowledge and belief, they are true, correct, and complete.


▶ 45-3133205
▶ _____
Signature
Taxpayer identification number
Date

▶ **Country Village Apartments LLC**
▶ 2014
▶ _____
Name (please type or print)
First year of the credit period

Low-Income Housing Credit Allocation and Certification

OMB No. 1545-0988

▶ Information about Form 8609 and its separate instructions is at www.irs.gov/form8609.

Part I Allocation of Credit

Check if: Addition to Qualified Basis Amended Form

A Address of building (do not use P.O. box) (see instructions) 209 Dorchester Drive & Community Center Waterbury, CT 06704	B Name and address of housing credit agency Connecticut Housing Finance Authority 999 West Street Rocky Hill, CT 06067
C Name, address, and TIN of building owner receiving allocation Country Village, LLC 1241 Main Street Bridgeport, CT 06604 TIN ▶ 45-3133205	D Employer identification number of agency <div style="text-align: right;">06-1267528</div> E Building identification number (BIN) <div style="text-align: right;">CT-11-02614</div>

1a Date of allocation ▶ N/A b Maximum housing credit dollar amount allowable	1b	24,888
2 Maximum applicable credit percentage allowable (see instructions)	2	3.27 %
3a Maximum qualified basis	3a	761,101
b If the eligible basis used in the computation of line 3a was increased, check the applicable box and enter the percentage to which the eligible basis was increased (see instructions)	3b	1 <u>3</u> <u>0</u> %
<input type="checkbox"/> Building located in the Gulf Opportunity (GO) Zone, Rita GO Zone, or Wilma GO Zone <input checked="" type="checkbox"/> Section 42(d)(5)(B) high cost area provisions		
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-.)	4	63.99 %
5 Date building placed in service ▶ 02/01/2014		
6 Check the boxes that describe the allocation for the building (check those that apply):		
a <input type="checkbox"/> Newly constructed and federally subsidized b <input type="checkbox"/> Newly constructed and not federally subsidized c <input type="checkbox"/> Existing building		
d <input checked="" type="checkbox"/> Sec. 42(e) rehabilitation expenditures federally subsidized e <input type="checkbox"/> Sec. 42(e) rehabilitation expenditures not federally subsidized		
f <input type="checkbox"/> Not federally subsidized by reason of 40-50 rule under sec. 42(i)(2)(E) g <input type="checkbox"/> Allocation subject to nonprofit set-aside under sec. 42(h)(5)		

Signature of Authorized Housing Credit Agency Official—Completed by Housing Credit Agency Only

Under penalties of perjury, I declare that the allocation made is in compliance with the requirements of section 42 of the Internal Revenue Code, and that I have examined this form and to the best of my knowledge and belief, the information is true, correct, and complete.

Signature of authorized official	Dara Kovel - VP, Housing Development Name (please type or print)	2/27/15 Date
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Part II First-Year Certification—Completed by Building Owners with respect to the First Year of the Credit Period

7 Eligible basis of building (see instructions)	7	761,100
8a Original qualified basis of the building at close of first year of credit period	8a	761,100
b Are you treating this building as part of a multiple building project for purposes of section 42 (see instructions)?		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
9a If box 6a or box 6d is checked, do you elect to reduce eligible basis under section 42(i)(2)(B)?		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
b For market-rate units above the average quality standards of low-income units in the building, do you elect to reduce eligible basis by disproportionate costs of non-low income units under section 42(d)(3)(B)?		<input type="checkbox"/> Yes <input type="checkbox"/> No
10 Check the appropriate box for each election: Caution: Once made, the following elections are irrevocable.		
a Elect to begin credit period the first year after the building is placed in service (section 42(f)(1)) ▶		
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b Elect not to treat large partnership as taxpayer (section 42(j)(5)) ▶		
<input type="checkbox"/> Yes		
c Elect minimum set-aside requirement (section 42(g)) (see instructions) <input type="checkbox"/> 20-50 <input checked="" type="checkbox"/> 40-60		
<input type="checkbox"/> 25-60 (N.Y.C. only)		
d Elect deep rent skewed project (section 142(d)(4)(B)) (see instructions) <input type="checkbox"/> 15-40		

Under penalties of perjury, I declare that I have examined this form and accompanying attachments, and to the best of my knowledge and belief, they are true, correct, and complete.

Signature	Country Village Apartments LLC Name (please type or print)	45-3133205 Taxpayer identification number
	2014 First year of the credit period	Date

Low-Income Housing Credit Allocation and Certification

OMB No. 1545-0988

▶ Information about Form 8609 and its separate instructions is at www.irs.gov/form8609.

Part I Allocation of Credit

Check if: Addition to Qualified Basis Amended Form

A Address of building (do not use P.O. box) (see instructions) 227-241 Dorchester Drive Waterbury, CT 06704	B Name and address of housing credit agency Connecticut Housing Finance Authority 999 West Street Rocky Hill, CT 06067
C Name, address, and TIN of building owner receiving allocation Country Village, LLC 1241 Main Street Bridgeport, CT 06604 TIN ▶ 45-3133205	D Employer identification number of agency <div style="text-align: right;">06-1267528</div> E Building identification number (BIN) <div style="text-align: right;">CT-11-02615</div>

1a Date of allocation ▶ N/A	b Maximum housing credit dollar amount allowable	1b	10,215
2 Maximum applicable credit percentage allowable (see instructions)		2	3.18 %
3a Maximum qualified basis		3a	321,226
b If the eligible basis used in the computation of line 3a was increased, check the applicable box and enter the percentage to which the eligible basis was increased (see instructions)		3b	1 0 0 %
<input type="checkbox"/> Building located in the Gulf Opportunity (GO) Zone, Rita GO Zone, or Wilma GO Zone <input type="checkbox"/> Section 42(d)(5)(B) high cost area provisions			
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-.)		4	63.99 %
5 Date building placed in service ▶ 05/08/2013			
6 Check the boxes that describe the allocation for the building (check those that apply):			
a <input type="checkbox"/> Newly constructed and federally subsidized		b <input type="checkbox"/> Newly constructed and not federally subsidized	
c <input checked="" type="checkbox"/> Existing building			
d <input type="checkbox"/> Sec. 42(e) rehabilitation expenditures federally subsidized		e <input type="checkbox"/> Sec. 42(e) rehabilitation expenditures not federally subsidized	
f <input type="checkbox"/> Not federally subsidized by reason of 40-50 rule under sec. 42(f)(2)(E)		g <input type="checkbox"/> Allocation subject to nonprofit set-aside under sec. 42(h)(5)	

Signature of Authorized Housing Credit Agency Official—Completed by Housing Credit Agency Only

Under penalties of perjury, I declare that the allocation made is in compliance with the requirements of section 42 of the Internal Revenue Code, and that I have examined this form and to the best of my knowledge and belief, the information is true, correct, and complete.

	Dara Kovel - VP, Housing Development <small>Name (please type or print)</small>	2/27/15 <small>Date</small>
<small>Signature of authorized official</small>		

Part II First-Year Certification—Completed by Building Owners with respect to the First Year of the Credit Period

7 Eligible basis of building (see instructions)	7	321,221
8a Original qualified basis of the building at close of first year of credit period	8a	321,221
b Are you treating this building as part of a multiple building project for purposes of section 42 (see instructions)?		
		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
9a If box 6a or box 6d is checked, do you elect to reduce eligible basis under section 42(f)(2)(B)?		
		<input type="checkbox"/> Yes <input type="checkbox"/> No
b For market-rate units above the average quality standards of low-income units in the building, do you elect to reduce eligible basis by disproportionate costs of non-low income units under section 42(d)(3)(B)? ▶		
		<input type="checkbox"/> Yes <input type="checkbox"/> No
10 Check the appropriate box for each election: Caution: Once made, the following elections are irrevocable.		
a Elect to begin credit period the first year after the building is placed in service (section 42(f)(1)) ▶		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
b Elect not to treat large partnership as taxpayer (section 42(j)(5)) ▶		<input type="checkbox"/> Yes
c Elect minimum set-aside requirement (section 42(g)) (see instructions) <input type="checkbox"/> 20-50 <input checked="" type="checkbox"/> 40-60		<input type="checkbox"/> 25-60 (N.Y.C. only)
d Elect deep rent skewed project (section 142(d)(4)(B)) (see instructions)		<input type="checkbox"/> 15-40

Under penalties of perjury, I declare that I have examined this form and accompanying attachments, and to the best of my knowledge and belief, they are true, correct, and complete.

	45-3133205 <small>Taxpayer identification number</small>	
<small>Signature</small>		
Country Village Apartments LLC <small>Name (please type or print)</small>	2014 <small>First year of the credit period</small>	<small>Date</small>

Low-Income Housing Credit Allocation and Certification

OMB No. 1545-0988

▶ Information about Form 8609 and its separate instructions is at www.irs.gov/form8609.

Part I Allocation of Credit

Check if: Addition to Qualified Basis Amended Form

A Address of building (do not use P.O. box) (see instructions) 227-241 Dorchester Drive Waterbury, CT 06704	B Name and address of housing credit agency Connecticut Housing Finance Authority 999 West Street Rocky Hill, CT 06067
C Name, address, and TIN of building owner receiving allocation Country Village, LLC 1241 Main Street Bridgeport, CT 06604 TIN ▶ 45-3133205	D Employer identification number of agency <div style="text-align: right;">06-1267528</div> E Building identification number (BIN) <div style="text-align: right;">CT-11-02615</div>

1a Date of allocation ▶ N/A		b Maximum housing credit dollar amount allowable	1b	23,330
2 Maximum applicable credit percentage allowable (see instructions)			2	3.27%
3a Maximum qualified basis			3a	713,456
b If the eligible basis used in the computation of line 3a was increased, check the applicable box and enter the percentage to which the eligible basis was increased (see instructions)				
<input type="checkbox"/> Building located in the Gulf Opportunity (GO) Zone, Rita GO Zone, or Willma GO Zone			3b	1 3 0 %
<input checked="" type="checkbox"/> Section 42(d)(5)(B) high cost area provisions				
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-)			4	63.99%
5 Date building placed in service ▶ 02/01/2014				
6 Check the boxes that describe the allocation for the building (check those that apply):				
a <input type="checkbox"/> Newly constructed and federally subsidized	b <input type="checkbox"/> Newly constructed and not federally subsidized	c <input type="checkbox"/> Existing building		
d <input checked="" type="checkbox"/> Sec. 42(e) rehabilitation expenditures federally subsidized	e <input type="checkbox"/> Sec. 42(e) rehabilitation expenditures not federally subsidized			
f <input type="checkbox"/> Not federally subsidized by reason of 40-50 rule under sec. 42(f)(2)(E)	g <input type="checkbox"/> Allocation subject to nonprofit set-aside under sec. 42(h)(5)			

Signature of Authorized Housing Credit Agency Official – Completed by Housing Credit Agency Only

Under penalties of perjury, I declare that the allocation made is in compliance with the requirements of section 42 of the Internal Revenue Code, and that I have examined this form and to the best of my knowledge and belief, the information is true, correct, and complete.

Dara Kovel - VP, Housing Development
2/27/15
 Signature of authorized official Name (please type or print) Date

Part II First-Year Certification – Completed by Building Owners with respect to the First Year of the Credit Period

7 Eligible basis of building (see instructions)			7	713,460
8a Original qualified basis of the building at close of first year of credit period			8a	713,460
b Are you treating this building as part of a multiple building project for purposes of section 42 (see instructions)?				
			<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
9a If box 6a or box 6d is checked, do you elect to reduce eligible basis under section 42(f)(2)(B)?				
			<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
b For market-rate units above the average quality standards of low-income units in the building, do you elect to reduce eligible basis by disproportionate costs of non-low income units under section 42(d)(3)(B)?				
			<input type="checkbox"/> Yes	<input type="checkbox"/> No
10 Check the appropriate box for each election:				
Caution: Once made, the following elections are irrevocable.				
a Elect to begin credit period the first year after the building is placed in service (section 42(f)(1))			<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
b Elect not to treat large partnership as taxpayer (section 42(j)(5))			<input type="checkbox"/> Yes	
c Elect minimum set-aside requirement (section 42(g)) (see instructions)	<input type="checkbox"/> 20-50 <input checked="" type="checkbox"/> 40-60		<input type="checkbox"/> 25-60 (N.Y.C. only)	
d Elect deep rent skewed project (section 142(d)(4)(B)) (see instructions)			<input type="checkbox"/> 15-40	

Under penalties of perjury, I declare that I have examined this form and accompanying attachments, and to the best of my knowledge and belief, they are true, correct, and complete.

45-3133205
2014
 Signature Taxpayer identification number Date
 Country Village Apartments LLC
 Name (please type or print) First year of the credit period

Low-Income Housing Credit Allocation and Certification

OMB No. 1545-0988

▶ Information about Form 8609 and its separate instructions is at www.irs.gov/form8609.

Part I Allocation of Credit

Check if: Addition to Qualified Basis Amended Form

A Address of building (do not use P.O. box) (see instructions)

253-267 Dorchester Drive
Waterbury, CT 06704

B Name and address of housing credit agency

Connecticut Housing Finance Authority
999 West Street
Rocky Hill, CT 06067

C Name, address, and TIN of building owner receiving allocation

Country Village, LLC
1241 Main Street
Bridgeport, CT 06604

D Employer identification number of agency

06-1267528

E Building identification number (BIN)

CT-11-02616

TIN ▶

45-3133205

1a Date of allocation ▶ <u> N/A </u>	b Maximum housing credit dollar amount allowable	1b	10,215
2 Maximum applicable credit percentage allowable (see instructions)		2	3.18 %
3a Maximum qualified basis		3a	321,226
b If the eligible basis used in the computation of line 3a was increased, check the applicable box and enter the percentage to which the eligible basis was increased (see instructions)		3b	1 <u> 0 </u> <u> 0 </u> %
<input type="checkbox"/> Building located in the Gulf Opportunity (GO) Zone, Rita GO Zone, or Wilma GO Zone <input type="checkbox"/> Section 42(d)(5)(B) high cost area provisions			
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-)		4	63.99 %
5 Date building placed in service			05/08/2013
6 Check the boxes that describe the allocation for the building (check those that apply):			
a <input type="checkbox"/> Newly constructed and federally subsidized		b <input type="checkbox"/> Newly constructed and not federally subsidized	
c <input checked="" type="checkbox"/> Existing building			
d <input type="checkbox"/> Sec. 42(e) rehabilitation expenditures federally subsidized		e <input type="checkbox"/> Sec. 42(e) rehabilitation expenditures not federally subsidized	
f <input type="checkbox"/> Not federally subsidized by reason of 40-50 rule under sec. 42(i)(2)(E)		g <input type="checkbox"/> Allocation subject to nonprofit set-aside under sec. 42(h)(5)	

Signature of Authorized Housing Credit Agency Official—Completed by Housing Credit Agency Only

Under penalties of perjury, I declare that the allocation made is in compliance with the requirements of section 42 of the Internal Revenue Code, and that I have examined this form and to the best of my knowledge and belief, the information is true, correct, and complete.

Dara Kovel - VP, Housing Development
2/27/15
 Signature of authorized official Name (please type or print) Date

Part II First-Year Certification—Completed by Building Owners with respect to the First Year of the Credit Period

7 Eligible basis of building (see instructions)	7	321,221
8a Original qualified basis of the building at close of first year of credit period	8a	321,221
b Are you treating this building as part of a multiple building project for purposes of section 42 (see instructions)?		
		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
9a If box 6a or box 6d is checked, do you elect to reduce eligible basis under section 42(i)(2)(B)?		
		<input type="checkbox"/> Yes <input type="checkbox"/> No
b For market-rate units above the average quality standards of low-income units in the building, do you elect to reduce eligible basis by disproportionate costs of non-low income units under section 42(d)(3)(B)?		
		<input type="checkbox"/> Yes <input type="checkbox"/> No
10 Check the appropriate box for each election:		
Caution: Once made, the following elections are irrevocable.		
a Elect to begin credit period the first year after the building is placed in service (section 42(f)(1))	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
b Elect not to treat large partnership as taxpayer (section 42(j)(5))	<input type="checkbox"/> Yes	
c Elect minimum set-aside requirement (section 42(g)) (see instructions) <input type="checkbox"/> 20-50 <input checked="" type="checkbox"/> 40-60	<input type="checkbox"/> 25-60 (N.Y.C. only)	
d Elect deep rent skewed project (section 142(d)(4)(B)) (see instructions)	<input type="checkbox"/> 15-40	

Under penalties of perjury, I declare that I have examined this form and accompanying attachments, and to the best of my knowledge and belief, they are true, correct, and complete.

Country Village Apartments LLC
45-3133205
 Signature Taxpayer identification number
 Name (please type or print) First year of the credit period

8609

Form 8609 (Rev. December 2013) Department of the Treasury Internal Revenue Service

Low-Income Housing Credit Allocation and Certification

Information about Form 8609 and its separate instructions is at www.irs.gov/form8609.

OMB No. 1545-0988

Part I Allocation of Credit

Check if: Addition to Qualified Basis Amended Form

A Address of building (do not use P.O. box) (see instructions) 253-267 Dorchester Drive Waterbury, CT 06704

C Name, address, and TIN of building owner receiving allocation Country Village, LLC 1241 Main Street Bridgeport, CT 06604

D Employer identification number of agency 06-1267528

E Building identification number (BIN) CT-11-02616

1a Date of allocation N/A Maximum housing credit dollar amount allowable 23,330

2 Maximum applicable credit percentage allowable (see instructions) 3.27%

3a Maximum qualified basis If the eligible basis used in the computation of line 3a was increased, check the applicable box and enter the percentage to which the eligible basis was increased (see instructions) 713,456

3b 1 3 0 %

4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-) 63.99%

5 Date building placed in service 02/01/2014

6 Check the boxes that describe the allocation for the building (check those that apply): Existing building Newly constructed and federally subsidized Existing building Newly constructed and federally subsidized Rehabilitation expenditures not federally subsidized Sec. 42(e) rehabilitation expenditures federally subsidized Not federally subsidized by reason of 40-50 rule under sec. 42(f)(2)(E) Allocation subject to nonprofit set-aside under sec. 42(f)(5)

Signature of Authorized Housing Credit Agency Official—Completed by Housing Credit Agency Only Under penalties of perjury, I declare that the allocation made is in compliance with the requirements of section 42 of the Internal Revenue Code, and that I have examined this form and to the best of my knowledge and belief, the information is true, correct, and complete.

Dara Kovel - VP, Housing Development 2/27/15

Part II First-Year Certification—Completed by Building Owners with respect to the First Year of the Credit Period

7 Eligible basis of building (see instructions) 713,460

8a Original qualified basis of the building at close of first year of credit period 713,460

8b Are you treating this building as part of a multiple building project for purposes of section 42 (see instructions)? Yes No

9a If box 6a or box 6d is checked, do you elect to reduce eligible basis under section 42(i)(2)(B)? Yes No

9b For market-rate units above the average quality standards of low-income units in the building, do you elect to reduce eligible basis by disproportionate costs of non-low income units under section 42(d)(3)(B)? Yes No

10 Check the appropriate box for each election: Cautions: Once made, the following elections are irrevocable. a Elect to begin credit period the first year after the building is placed in service (section 42(i)(1)) Yes No b Elect not to treat large partnership as taxpayer (section 42(i)(5)) Yes No c Elect minimum set-aside requirement (section 42(g)) (see instructions) 20-50 40-60 d Elect deep rent skewed project (section 142(d)(4)(B)) (see instructions) 15-40 25-60 (N.Y.C. only)

Country Village Apartments LLC 2014

45-3133205 Taxpayer identification number

Low-Income Housing Credit Allocation and Certification

Information about Form 8609 and its separate instructions is at www.irs.gov/form8609.

Part I Allocation of Credit

Check if: Addition to Qualified Basis Amended Form

A Address of building (do not use P.O. box) (see instructions) 305-319 Dorchester Drive Waterbury, CT 06704

B Name and address of housing credit agency Connecticut Housing Finance Authority 999 West Street Rocky Hill, CT 06067

C Name, address, and TIN of building owner receiving allocation Country Village, LLC 1241 Main Street Bridgeport, CT 06604

D Employer identification number of agency 06-1267528

E Building identification number (BIN) 06-1267528

TIN 45-3133205

CT-11-02617

1a	Date of allocation	10.2.15
1b	Maximum housing credit dollar amount allowable	3.18%
2	Maximum applicable credit percentage allowable (see instructions)	3.18%
3a	Maximum qualified basis	321,228
3b	If the eligible basis used in the computation of line 3a was increased, check the applicable box and enter the percentage to which the eligible basis was increased (see instructions)	100%
4	Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-)	0%
5	Date building placed in service	05/01/2013

6 Check the boxes that describe the allocation for the building (check those that apply):

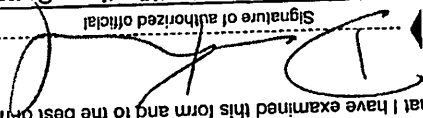
a Newly constructed and federally subsidized b Newly constructed and not federally subsidized c Existing building

d Sec. 42(e) rehabilitation expenditures federally subsidized e Sec. 42(e) rehabilitation expenditures not federally subsidized

f Not federally subsidized by reason of 40-50 rule under sec. 42(i)(2)(E) g Allocation subject to nonprofit set-aside under sec. 42(h)(5)

Signature of Authorized Housing Credit Agency Official—Completed by Housing Credit Agency Only

Under penalties of perjury, I declare that the allocation made is in compliance with the requirements of section 42 of the Internal Revenue Code, and that I have examined this form and to the best of my knowledge and belief, the information is true, correct, and complete.

Name (please type or print) Dana Kovel, VP, Housing Development
 Signature of authorized official 
 Date 2/27/15

Part II First-Year Certification—Completed by Building Owners with respect to the First Year of the Credit Period

7 Eligible basis of building (see instructions) 321,221

8a Original qualified basis of the building at close of first year of credit period 321,221

8b Are you treating this building as part of a multiple building project for purposes of section 42 (see instructions)? Yes No

9a If box 6a or box 6d is checked, do you elect to reduce eligible basis under section 42(i)(2)(B)? Yes No

9b For market-rate units above the average quality standards of low-income units in the building, do you elect to reduce eligible basis by disproportionate costs of non-low income units under section 42(d)(3)(B)? Yes No

10 Check the appropriate box for each election:

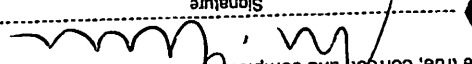
a **Caution: Once made, the following elections are irrevocable.**
 Elect to begin credit period the first year after the building is placed in service (section 42(i)(1)) Yes No

b Elect not to treat large partnership as taxpayer (section 42(f)(5)) Yes No

c Elect minimum set-aside requirement (section 42(g)) (see instructions) 40-60 20-50

d Elect deep rent skewed project (section 142(d)(4)(B)) (see instructions) 15-40

Under penalties of perjury, I declare that I have examined this form and accompanying attachments, and to the best of my knowledge and belief, they are true, correct, and complete.

Name (please type or print) Country Village Apartments LLC
 Signature 
 Taxpayer identification number 45-3133205
 First year of the credit period 2013
 Date

Low-Income Housing Credit Allocation and Certification

OMB No. 1545-0988

▶ Information about Form 8609 and its separate instructions is at www.irs.gov/form8609.

Part I Allocation of Credit

Check if: Addition to Qualified Basis Amended Form

A Address of building (do not use P.O. box) (see instructions) 305-319 Dorchester Drive Waterbury, CT 06704	B Name and address of housing credit agency Connecticut Housing Finance Authority 999 West Street Rocky Hill, CT 06067
C Name, address, and TIN of building owner receiving allocation Country Village, LLC 1241 Main Street Bridgeport, CT 06604 TIN ▶ 45-3133205	D Employer identification number of agency 06-1267528 E Building identification number (BIN) CT-11-02617

1a Date of allocation ▶ N/A	b Maximum housing credit dollar amount allowable	1b	23,330
2 Maximum applicable credit percentage allowable (see instructions)		2	3.27 %
3a Maximum qualified basis		3a	713,456
b If the eligible basis used in the computation of line 3a was increased, check the applicable box and enter the percentage to which the eligible basis was increased (see instructions)		3b	1 3 0 %
<input type="checkbox"/> Building located in the Gulf Opportunity (GO) Zone, Rita GO Zone, or Wilma GO Zone <input checked="" type="checkbox"/> Section 42(d)(5)(B) high cost area provisions			
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-)		4	63.99 %
5 Date building placed in service ▶ 10/01/2013			
6 Check the boxes that describe the allocation for the building (check those that apply):			
a <input type="checkbox"/> Newly constructed and federally subsidized		b <input type="checkbox"/> Newly constructed and not federally subsidized	
c <input type="checkbox"/> Existing building		d <input checked="" type="checkbox"/> Sec. 42(e) rehabilitation expenditures federally subsidized	
e <input type="checkbox"/> Sec. 42(e) rehabilitation expenditures not federally subsidized		f <input type="checkbox"/> Not federally subsidized by reason of 40-50 rule under sec. 42(i)(2)(E)	
g <input type="checkbox"/> Allocation subject to nonprofit set-aside under sec. 42(h)(5)			

Signature of Authorized Housing Credit Agency Official—Completed by Housing Credit Agency Only

Under penalties of perjury, I declare that the allocation made is in compliance with the requirements of section 42 of the Internal Revenue Code, and that I have examined this form and to the best of my knowledge and belief, the information is true, correct, and complete.

Dara Kovel - VP, Housing Development
2/27/15
 Signature of authorized official Name (please type or print) Date

Part II First-Year Certification—Completed by Building Owners with respect to the First Year of the Credit Period

7 Eligible basis of building (see instructions)	7	713,460
8a Original qualified basis of the building at close of first year of credit period	8a	713,460
b Are you treating this building as part of a multiple building project for purposes of section 42 (see instructions)?		
		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
9a If box 6a or box 6d is checked, do you elect to reduce eligible basis under section 42(i)(2)(B)?		
		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
b For market-rate units above the average quality standards of low-income units in the building, do you elect to reduce eligible basis by disproportionate costs of non-low income units under section 42(d)(3)(B)?		
		<input type="checkbox"/> Yes <input type="checkbox"/> No
10 Check the appropriate box for each election: Caution: Once made, the following elections are irrevocable.		
a Elect to begin credit period the first year after the building is placed in service (section 42(f)(1)) ▶		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
b Elect not to treat large partnership as taxpayer (section 42(j)(5)) ▶		<input type="checkbox"/> Yes
c Elect minimum set-aside requirement (section 42(g)) (see instructions) <input type="checkbox"/> 20-50 <input checked="" type="checkbox"/> 40-60		<input type="checkbox"/> 25-60 (N.Y.C. only)
d Elect deep rent skewed project (section 142(d)(4)(B)) (see instructions)		<input type="checkbox"/> 15-40

Under penalties of perjury, I declare that I have examined this form and accompanying attachments, and to the best of my knowledge and belief, they are true, correct, and complete.

45-3133205
Date
 Signature Taxpayer identification number
Country Village Apartments LLC **2013**
 Name (please type or print) First year of the credit period

Low-Income Housing Credit Allocation and Certification

Information about Form 8609 and its separate instructions is at www.irs.gov/form8609.

Part I Allocation of Credit

Check if: Addition to Qualified Basis Amended Form

A Address of building (do not use P.O. box) (see instructions) 208-218 Dorchester Drive Waterbury, CT 05704

C Name, address, and TIN of building owner receiving allocation
Country Village, LLC
1241 Main Street
Bridgeport, CT 06604
TIN 45-3133205

B Name and address of housing credit agency
Connecticut Housing Finance Authority
999 West Street
Rocky Hill, CT 06067

D Employer identification number of agency 06-1267528

E Building identification number (BIN) CT-11-02678

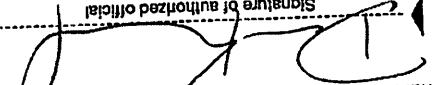
1a	Date of allocation	N/A
2	Maximum applicable credit percentage allowable (see instructions)	3.18%
3a	Maximum qualified basis	262,799
3b	If the eligible basis used in the computation of line 3a was increased, check the applicable box and enter the percentage to which the eligible basis was increased (see instructions)	100%
4	Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-)	63.99%

5 Date building placed in service 05/08/2013

6 Check the boxes that describe the allocation for the building (check those that apply):
 a Newly constructed and federally subsidized
 b Newly constructed and not federally subsidized
 c Existing building
 d Sec. 42(e) rehabilitation expenditures federally subsidized
 e Sec. 42(e) rehabilitation expenditures not federally subsidized
 f Not federally subsidized by reason of 40-50 rule under sec. 42(i)(2)(B) g Allocation subject to nonprofit set-aside under sec. 42(n)(5)

Signature of Authorized Housing Credit Agency Official—Completed by Housing Credit Agency Only

Under penalties of perjury, I declare that the allocation made is in compliance with the requirements of section 42 of the Internal Revenue Code, and that I have examined this form and to the best of my knowledge and belief, the information is true, correct, and complete.

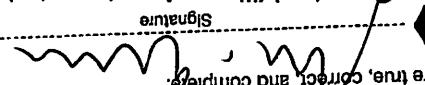
Name (please type or print) Dara Kovel - VP, Housing Development
 Signature of authorized official 
 Date 2/27/15

Part II First-Year Certification—Completed by Building Owners with respect to the First Year of the Credit Period

7	Original qualified basis of the building at close of first year of credit period	262,793
8a	Eligible basis of building (see instructions)	262,793

10 Check the appropriate box for each election:
 a Election to begin credit period the first year after the building is placed in service (section 42(i)(1)) Yes No
 b Election to treat large partnership as taxpayer (section 42(i)(5)) Yes No
 c Election minimum set-aside requirement (section 42(g)) (see instructions) Yes No
 d Election deep rent skewed project (section 142(d)(4)(B)) (see instructions) Yes No
 9a If box 6a or box 6d is checked, do you elect to reduce eligible basis under section 42(i)(2)(B)? (see instructions)? Yes No
 b For market-rate units above the average quality standards of low-income units in the building, do you elect to reduce eligible basis by disproportionate costs of non-low income units under section 42(d)(3)(B)? Yes No
 c Are you treating this building as part of a multiple building project for purposes of section 42 (see instructions)? Yes No
 b Are you treating this building as part of a multiple building project for purposes of section 42 (see instructions)? Yes No
 7 Eligible basis of building (see instructions)

Under penalties of perjury, I declare that I have examined this form and accompanying attachments, and to the best of my knowledge and belief, they are true, correct, and complete.

Name (please type or print) Country Village Apartments, LLC
 Signature 
 Taxpayer identification number 45-3133205
 First year of the credit period 2013
 Date

Low-Income Housing Credit Allocation and Certification

Information about Form 8609 and its separate instructions is at www.irs.gov/form8609.

OMB No. 1545-0888

Part I Allocation of Credit

Check if: Addition to Qualified Basis Amended Form

A Address of building (do not use P.O. box) (see instructions)

C Name, address, and TIN of building owner receiving allocation

D Employer identification number of agency

E Building identification number (BIN)

1a Date of allocation

2 Maximum applicable credit percentage allowable (see instructions)

3a Maximum qualified basis

4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-)

5 Date building placed in service

6 Check the boxes that describe the allocation for the building (check those that apply):

Signature of Authorized Housing Credit Agency Official—Completed by Housing Credit Agency Only

Under penalties of perjury, I declare that the allocation made is in compliance with the requirements of section 42 of the Internal Revenue Code, and that I have examined this form and to the best of my knowledge and belief, the information is true, correct, and complete.

Name (please type or print) **Dara Kovel - VP, Housing Development**

Signature of authorized official

Part II First-Year Certification—Completed by Building Owners with respect to the First Year of the Credit Period

7 Eligible basis of building (see instructions)

8a Original qualified basis of the building at close of first year of credit period

9a If box 6a or box 6d is checked, do you elect to reduce eligible basis under section 42(f)(2)(B)?

10 Check the appropriate box for each election:

Under penalties of perjury, I declare that I have examined this form and accompanying attachments, and to the best of my knowledge and belief, they are true, correct, and complete.

Name (please type or print) **Country Village Apartments, LLC**

Form 8609 (Rev. 12-2013) Cat. No. 63981U

Low-Income Housing Credit Allocation and Certification

Information about Form 8609 and its separate instructions is at www.irs.gov/form8609.

OMB No. 1545-0988

Part II Allocation of Credit

Check if: Addition to Qualified Basis Amended Form

A Address of building (do not use P.O. box) (see instructions)
 340-350 Dorchester Drive
 Waterbury, CT 06704

B Name and address of housing credit agency
 Connecticut Housing Finance Authority
 999 West Street
 Rocky Hill, CT 06067

C Name, address, and TIN of building owner receiving allocation
 Country Village, LLC
 1241 Main Street
 Bridgeport, CT 06604

D Employer identification number of agency
 06-1267528

E Building identification number (BIN)
 CT-11-02619

TIN 45-3133205

1a Date of allocation N/A
 b Maximum housing credit dollar amount allowable 11,759

2 Maximum applicable credit percentage allowable (see instructions) 3.18 %

3a Maximum qualified basis 369,780

b If the eligible basis used in the computation of line 3a was increased, check the applicable box and enter the percentage to which the eligible basis was increased (see instructions) 100 %

4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-) 63.99 %

5 Date building placed in service 05/08/2013

6 Check the boxes that describe the allocation for the building (check those that apply):
 a Newly constructed and federally subsidized b Newly constructed and not federally subsidized c Existing building
 d Rehabilitation expenditures federally subsidized e Sec. 42(e) rehabilitation expenditures not federally subsidized
 f Not federally subsidized by reason of 40-50 rule under sec. 42(i)(2)(E) g Allocation subject to nonprofit set-aside under sec. 42(h)(5)

Signature of Authorized Housing Credit Agency Official—Completed by Housing Credit Agency Only

Under penalties of perjury, I declare that the allocation made is in compliance with the requirements of section 42 of the Internal Revenue Code, and that I have examined this form and to the best of my knowledge and belief, the information is true, correct, and complete.

Name (please type or print) Dara Kovel - VP, Housing Development
 Signature of authorized official

Date 2/27/15

Part III First-Year Certification—Completed by Building Owners with respect to the First Year of the Credit Period

7 Eligible basis of building (see instructions) 369,781

8a Original qualified basis of the building at close of first year of credit period 369,781

b Are you treating this building as part of a multiple building project for purposes of section 42 (see instructions)?
 Yes No

9a If box 6a or box 6d is checked, do you elect to reduce eligible basis under section 42(i)(2)(B)?
 Yes No

b For market-rate units above the average quality standards of low-income units in the building, do you elect to reduce eligible basis by disproportionate costs of non-low income units under section 42(d)(3)(B)?
 Yes No

10 Check the appropriate box for each election:
 Caution: Once made, the following elections are irrevocable.
 a Effect to begin credit period the first year after the building is placed in service (section 42(i)(1))
 Yes No

b Effect not to treat large partnership as taxpayer (section 42(i)(5))
 Yes No

c Effect minimum set-aside requirement (section 42(g)) (see instructions) 20-50 40-60

d Effect deep rent skewed project (section 142(d)(4)(B)) (see instructions) 15-40

Under penalties of perjury, I declare that I have examined this form and accompanying attachments, and to the best of my knowledge and belief, they are true, correct, and complete.

Signature
 Name (please type or print) Country Village Apartments LLC
 Taxpayer identification number 45-3133205
 Date

First year of the credit period 2013

Low-Income Housing Credit Allocation and Certification

OMB No. 1545-0988

Information about Form 8609 and its separate instructions is at www.irs.gov/form8609.

Part I Allocation of Credit

Check if: Addition to Qualified Basis Amended Form

A Address of building (do not use P.O. box) (see instructions)

340-350 Dorchester Drive
 Waterbury, CT 06704

B Name and address of housing credit agency

Connecticut Housing Finance Authority
 999 West Street
 Rocky Hill, CT 06067

C Name, address, and TIN of building owner receiving allocation

Country Village, LLC
 1241 Main Street
 Bridgeport, CT 06604

D Employer identification number of agency

06-1267528

E Building identification number (BIN)

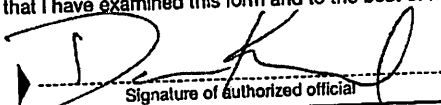
CT-11-02619

TIN ▶ 45-3133205

1a	Date of allocation ▶ N/A	b	Maximum housing credit dollar amount allowable	1b	26,857
2	Maximum applicable credit percentage allowable (see instructions)			2	3.27%
3a	Maximum qualified basis			3a	821,315
b	If the eligible basis used in the computation of line 3a was increased, check the applicable box and enter the percentage to which the eligible basis was increased (see instructions)			3b	1 3 0 %
	<input type="checkbox"/> Building located in the Gulf Opportunity (GO) Zone, Rita GO Zone, or Wilma GO Zone				
	<input checked="" type="checkbox"/> Section 42(d)(5)(B) high cost area provisions				
4	Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-.)			4	63.99%
5	Date building placed in service		▶ 10/01/2013		
6	Check the boxes that describe the allocation for the building (check those that apply):				
a	<input type="checkbox"/> Newly constructed and federally subsidized	b	<input type="checkbox"/> Newly constructed and not federally subsidized	c	<input type="checkbox"/> Existing building
d	<input checked="" type="checkbox"/> Sec. 42(e) rehabilitation expenditures federally subsidized	e	<input type="checkbox"/> Sec. 42(e) rehabilitation expenditures not federally subsidized		
f	<input type="checkbox"/> Not federally subsidized by reason of 40-50 rule under sec. 42(i)(2)(E) g <input type="checkbox"/> Allocation subject to nonprofit set-aside under sec. 42(h)(5)				

Signature of Authorized Housing Credit Agency Official—Completed by Housing Credit Agency Only

Under penalties of perjury, I declare that the allocation made is in compliance with the requirements of section 42 of the Internal Revenue Code, and that I have examined this form and to the best of my knowledge and belief, the information is true, correct, and complete.


 Signature of authorized official

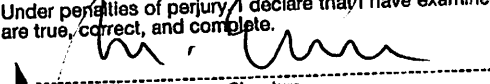
Dara Kovel - VP, Housing Development
 Name (please type or print)

2/27/15
 Date

Part II First-Year Certification—Completed by Building Owners with respect to the First Year of the Credit Period

7	Eligible basis of building (see instructions)	7	821,317
8a	Original qualified basis of the building at close of first year of credit period	8a	821,317
b	Are you treating this building as part of a multiple building project for purposes of section 42 (see instructions)?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
9a	If box 6a or box 6d is checked, do you elect to reduce eligible basis under section 42(i)(2)(B)?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
b	For market-rate units above the average quality standards of low-income units in the building, do you elect to reduce eligible basis by disproportionate costs of non-low income units under section 42(d)(3)(B)?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
10	Check the appropriate box for each election:		
	Caution: Once made, the following elections are irrevocable.		
a	Elect to begin credit period the first year after the building is placed in service (section 42(f)(1))	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
b	Elect not to treat large partnership as taxpayer (section 42(j)(5))	<input type="checkbox"/> Yes	
c	Elect minimum set-aside requirement (section 42(g)) (see instructions) <input type="checkbox"/> 20-50 <input checked="" type="checkbox"/> 40-60	<input type="checkbox"/> 25-60 (N.Y.C. only)	
d	Elect deep rent skewed project (section 42(d)(4)(B)) (see instructions)	<input type="checkbox"/> 15-40	

Under penalties of perjury, I declare that I have examined this form and accompanying attachments, and to the best of my knowledge and belief, they are true, correct, and complete.


 Signature
 Country Village Apartments LLC
 Name (please type or print)

45-3133205

Taxpayer identification number

Date

2013

First year of the credit period

Low-Income Housing Credit Allocation and Certification

OMB No. 1545-0988

Information about Form 8609 and its separate instructions is at www.irs.gov/form8609.

Part I Allocation of Credit

Check if: Addition to Qualified Basis Amended Form

A Address of building (do not use P.O. box) (see instructions)
134-144 Dorchester Drive
Waterbury, CT 06704

C Name, address, and TIN of building owner receiving allocation
Country Village, LLC
1241 Main Street
Bridgeport, CT 06604

D Employer identification number of agency
Connecticut Housing Finance Authority
999 West Street
Rocky Hill, CT 06067

E Building identification number (BIN)
06-1267528

CT-11-02620

TIN 45-3133205

1a Date of allocation N/A Maximum housing credit dollar amount allowable

2 Maximum applicable credit percentage allowable (see instructions) 3.18%

3a Maximum qualified basis 172,799

3b If the eligible basis used in the computation of line 3a was increased, check the applicable box and enter the percentage to which the eligible basis was increased (see instructions) 100%

4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-) 63.99%

5 Date building placed in service 05/08/2013

6 Check the boxes that describe the allocation for the building (check those that apply):
 Existing building
 Newly constructed and not federally subsidized
 Newly constructed and federally subsidized
 Rehabilitation expenditures not federally subsidized
 Sec. 42(e) rehabilitation expenditures
 Sec. 42(f)(2)(B) Allocation subject to nonprofit set-aside under sec. 42(n)(5)
 Not federally subsidized by reason of 40-50 rule under sec. 42(i)(2)(B) g

Signature of Authorized Housing Credit Agency Official—Completed by Housing Credit Agency Only

Under penalties of perjury, I declare that the allocation made is in compliance with the requirements of section 42 of the Internal Revenue Code, and that I have examined this form and to the best of my knowledge and belief, the information is true, correct, and complete.

Dara Kovel - VP, Housing Development
Name (please type or print) 2/27/15
Date

Signature of authorized official 1/27/93
Date

7 Eligible basis of building (see instructions) 172,793

8a Original qualified basis of the building at close of first year of credit period 172,793

8b Are you treating this building as part of a multiple building project for purposes of section 42 (see instructions)?
 Yes
 No

9a If box 6a or box 6d is checked, do you elect to reduce eligible basis under section 42(i)(2)(B)?
 Yes
 No

9b For market-rate units above the average quality standards of low-income units in the building, do you elect to reduce eligible basis by disproportionate costs of non-low income units under section 42(d)(3)(B)?
 Yes
 No

10 Check the appropriate box for each election:
 Caution: Once made, the following elections are irrevocable.
 a Elect to begin credit period the first year after the building is placed in service (section 42(i)(1))
 Yes
 No

b Elect not to treat large partnership as taxpayer (section 42(f)(5))
 20-50
 40-60

c Elect minimum set-aside requirement (section 42(g)) (see instructions)
 15-40
 25-60 (N.Y.C. only)

d Elect deep rent skewed project (section 142(d)(4)(B)) (see instructions)

Under penalties of perjury, I declare that I have examined this form and accompanying attachments, and to the best of my knowledge and belief, they are true, correct, and complete.

Country Village Apartments LLC
Signature
Name (please type or print)

2013
First year of the credit period

45-3133205
Taxpayer identification number

Date

Form 8609 (Rev. 12-2013)
Cat. No. 63981U
For Privacy Act and Paperwork Reduction Act Notice, see separate instructions.

Low-Income Housing Credit Allocation and Certification

Information about Form 8609 and its separate instructions is at www.irs.gov/form8609.

Part I Allocation of Credit

Check if: Addition to Qualified Basis Amended Form

A Address of building (do not use P.O. box) (see instructions)

C Name, address, and TIN of building owner receiving allocation
 134-144 Dorchester Drive
 Waterbury, CT 06704

D Employer identification number of agency
 06-1267528

E Building identification number (BIN)
 CT-11-02620

TIN 45-3133205

1a Date of allocation N/A Maximum housing credit dollar amount allowable

2 Maximum applicable credit percentage allowable (see instructions)

3a Maximum qualified basis. If the eligible basis used in the computation of line 3a was increased, check the applicable box and enter the percentage to which the eligible basis was increased (see instructions)

3b Building located in the Gulf Opportunity (GO) Zone, RITA GO Zone, or Wilma GO Zone
 Section 42(d)(5)(B) high cost area provisions

4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-)
 10/01/2013

5 Date building placed in service

6 Check the boxes that describe the allocation for the building (check those that apply):
 a Newly constructed and federally subsidized b Newly constructed and not federally subsidized c Existing building
 d Sec. 42(e) rehabilitation expenditures federally subsidized e Sec. 42(e) rehabilitation expenditures not federally subsidized
 f Not federally subsidized by reason of 40-50 rule under sec. 42(i)(2)(E) g Allocation subject to nonprofit set-aside under sec. 42(h)(5)

Signature of Authorized Housing Credit Agency Official—Completed by Housing Credit Agency Only

Under penalties of perjury, I declare that the allocation made is in compliance with the requirements of section 42 of the Internal Revenue Code, and that I have examined this form and to the best of my knowledge and belief, the information is true, correct, and complete.

Signature of Authorized official
 Dara Kovel - VP, Housing Development
 Date 2/27/15

Part II First-Year Certification—Completed by Building Owners with respect to the First Year of the Credit Period

7 Eligible basis of building (see instructions)

8a Original qualified basis of the building at close of first year of credit period for purposes of section 42
 383,790

8b Are you treating this building as part of a multiple building project for purposes of section 42 (see instructions)?
 Yes No

9a If box 6a or box 6d is checked, do you elect to reduce eligible basis under section 42(i)(2)(B)?
 Yes No

9b For market-rate units above the average quality standards of low-income units in the building, do you elect to reduce eligible basis by disproportionate costs of non-low income units under section 42(d)(3)(B)?
 Yes No

10 Check the appropriate box for each election:
 a Elect to begin credit period the first year after the building is placed in service (section 42(i)(1))
 b Elect not to treat large partnership as taxpayer (section 42(i)(5))
 c Elect minimum set-aside requirement (section 42(g)) (see instructions)
 d Elect deep rent skewed project (section 142(d)(4)(B)) (see instructions)

Under penalties of perjury, I declare that I have examined this form and accompanying attachments, and to the best of my knowledge and belief, they are true, correct, and complete.

Country Village Apartments LLC
 Signature
 45-3133205
 Taxpayer identification number
 2013
 First year of the credit period
 Name (please type or print)

Low-Income Housing Credit Allocation and Certification

OMB No. 1545-0988

▶ Information about Form 8609 and its separate instructions is at www.irs.gov/form8609.

Part I Allocation of Credit

Check if: Addition to Qualified Basis Amended Form

A Address of building (do not use P.O. box) (see instructions)

347-353 Dorchester Drive
Waterbury, CT 06704

B Name and address of housing credit agency

Connecticut Housing Finance Authority
999 West Street
Rocky Hill, CT 06067

C Name, address, and TIN of building owner receiving allocation

Country Village, LLC
1241 Main Street
Bridgeport, CT 06604

D Employer identification number of agency

06-1267528

E Building identification number (BIN)

CT-11-02621

TIN ▶ 45-3133205

1a Date of allocation ▶ N/A	b Maximum housing credit dollar amount allowable	1b	6,804
2 Maximum applicable credit percentage allowable (see instructions)		2	3.18%
3a Maximum qualified basis		3a	213,962
b If the eligible basis used in the computation of line 3a was increased, check the applicable box and enter the percentage to which the eligible basis was increased (see instructions)		3b	1 0 0 %
<input type="checkbox"/> Building located in the Gulf Opportunity (GO) Zone, Rita GO Zone, or Wilma GO Zone <input type="checkbox"/> Section 42(d)(5)(B) high cost area provisions			
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-)		4	63.99%
5 Date building placed in service			05/08/2013
6 Check the boxes that describe the allocation for the building (check those that apply):			
a <input type="checkbox"/> Newly constructed and federally subsidized	b <input type="checkbox"/> Newly constructed and not federally subsidized	c <input checked="" type="checkbox"/> Existing building	
d <input type="checkbox"/> Sec. 42(e) rehabilitation expenditures federally subsidized	e <input type="checkbox"/> Sec. 42(e) rehabilitation expenditures not federally subsidized		
f <input type="checkbox"/> Not federally subsidized by reason of 40-50 rule under sec. 42(i)(2)(E)	g <input type="checkbox"/> Allocation subject to nonprofit set-aside under sec. 42(h)(5)		

Signature of Authorized Housing Credit Agency Official—Completed by Housing Credit Agency Only

Under penalties of perjury, I declare that the allocation made is in compliance with the requirements of section 42 of the Internal Revenue Code, and that I have examined this form and to the best of my knowledge and belief, the information is true, correct, and complete.

Dara Kovel - VP, Housing Development
2/27/15
 Signature of authorized official Name (please type or print) Date

Part II First-Year Certification—Completed by Building Owners with respect to the First Year of the Credit Period

7 Eligible basis of building (see instructions)	7	213,975
8a Original qualified basis of the building at close of first year of credit period	8a	213,975
b Are you treating this building as part of a multiple building project for purposes of section 42 (see instructions)?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
9a If box 6a or box 6d is checked, do you elect to reduce eligible basis under section 42(i)(2)(B)?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
b For market-rate units above the average quality standards of low-income units in the building, do you elect to reduce eligible basis by disproportionate costs of non-low income units under section 42(d)(3)(B)?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
10 Check the appropriate box for each election:		
<i>Caution: Once made, the following elections are irrevocable.</i>		
a Elect to begin credit period the first year after the building is placed in service (section 42(f)(1))	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
b Elect not to treat large partnership as taxpayer (section 42(j)(5))	<input type="checkbox"/> Yes	
c Elect minimum set-aside requirement (section 42(g)) (see instructions) <input type="checkbox"/> 20-50 <input checked="" type="checkbox"/> 40-60	<input type="checkbox"/> 25-60 (N.Y.C. only)	
d Elect deep rent skewed project (section 142(d)(4)(B)) (see instructions)	<input type="checkbox"/> 15-40	

Under penalties of perjury, I declare that I have examined this form and accompanying attachments, and to the best of my knowledge and belief, they are true, correct, and complete.

45-3133205
Date
 Signature Taxpayer identification number
 Country Village Apartments LLC 2013
 Name (please type or print) First year of the credit period

Low-Income Housing Credit Allocation and Certification

OMB No. 1545-0988

▶ Information about Form 8609 and its separate instructions is at www.irs.gov/form8609.

Part I Allocation of Credit

Check If: Addition to Qualified Basis Amended Form

A Address of building (do not use P.O. box) (see instructions) 347-353 Dorchester Drive Waterbury, CT 06704	B Name and address of housing credit agency Connecticut Housing Finance Authority 999 West Street Rocky Hill, CT 06067
C Name, address, and TIN of building owner receiving allocation Country Village, LLC 1241 Main Street Bridgeport, CT 06604 TIN ▶ 45-3133205	D Employer identification number of agency <div style="text-align: right;">06-1267528</div> E Building identification number (BIN) <div style="text-align: right;">CT-11-02621</div>

1a Date of allocation ▶ N/A	b Maximum housing credit dollar amount allowable	1b	15,541
2 Maximum applicable credit percentage allowable (see instructions)		2	3.27 %
3a Maximum qualified basis		3a	475,260
b If the eligible basis used in the computation of line 3a was increased, check the applicable box and enter the percentage to which the eligible basis was increased (see instructions)		3b	1 3 0 %
<input type="checkbox"/> Building located in the Gulf Opportunity (GO) Zone, Rita GO Zone, or Wilma GO Zone <input checked="" type="checkbox"/> Section 42(d)(5)(B) high cost area provisions			
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-.)		4	63.99 %
5 Date building placed in service	▶ 10/01/2013		
6 Check the boxes that describe the allocation for the building (check those that apply):			
a <input type="checkbox"/> Newly constructed and federally subsidized	b <input type="checkbox"/> Newly constructed and not federally subsidized	c <input type="checkbox"/> Existing building	
d <input checked="" type="checkbox"/> Sec. 42(e) rehabilitation expenditures federally subsidized	e <input type="checkbox"/> Sec. 42(e) rehabilitation expenditures not federally subsidized		
f <input type="checkbox"/> Not federally subsidized by reason of 40-50 rule under sec. 42(f)(2)(E)	g <input type="checkbox"/> Allocation subject to nonprofit set-aside under sec. 42(h)(5)		

Signature of Authorized Housing Credit Agency Official—Completed by Housing Credit Agency Only

Under penalties of perjury, I declare that the allocation made is in compliance with the requirements of section 42 of the Internal Revenue Code, and that I have examined this form and to the best of my knowledge and belief, the information is true, correct, and complete.

▶
Dara Kovel - VP, Housing Development
▶
2/27/15
Signature of authorized official
Name (please type or print)
Date

Part II First-Year Certification—Completed by Building Owners with respect to the First Year of the Credit Period

7 Eligible basis of building (see instructions)	7	475,259
8a Original qualified basis of the building at close of first year of credit period	8a	475,259
b Are you treating this building as part of a multiple building project for purposes of section 42 (see instructions)?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
9a If box 6a or box 6d is checked, do you elect to reduce eligible basis under section 42(i)(2)(B)?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
b For market-rate units above the average quality standards of low-income units in the building, do you elect to reduce eligible basis by disproportionate costs of non-low income units under section 42(d)(3)(B)?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
10 Check the appropriate box for each election:		
Caution: Once made, the following elections are irrevocable.		
a Elect to begin credit period the first year after the building is placed in service (section 42(f)(1))	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
b Elect not to treat large partnership as taxpayer (section 42(j)(5))	<input type="checkbox"/> Yes	
c Elect minimum set-aside requirement (section 42(g)) (see instructions)	<input type="checkbox"/> 20-50	<input checked="" type="checkbox"/> 40-60
d Elect deep rent skewed project (section 142(d)(4)(B)) (see instructions)	<input type="checkbox"/> 25-60 (N.Y.C. only)	<input type="checkbox"/> 15-40

Under penalties of perjury, I declare that I have examined this form and accompanying attachments, and to the best of my knowledge and belief, they are true, correct, and complete.

▶
45-3133205
▶
2013
Signature
Taxpayer identification number
Date
▶
Country Village Apartments LLC
▶
2013
Name (please type or print)
First year of the credit period

Low-Income Housing Credit Allocation and Certification

▶ Information about Form 8609 and its separate instructions is at www.irs.gov/form8609.

Part I Allocation of Credit

Check If: Addition to Qualified Basis Amended Form

A Address of building (do not use P.O. box) (see instructions) 64-78 Dorchester Drive Waterbury, CT 06704	B Name and address of housing credit agency Connecticut Housing Finance Authority 999 West Street Rocky Hill, CT 06067
C Name, address, and TIN of building owner receiving allocation Country Village, LLC 1241 Main Street Bridgeport, CT 06604 TIN ▶ 45-3133205	D Employer identification number of agency <div style="text-align: center;">06-1267528</div> E Building identification number (BIN) <div style="text-align: center;">CT-11-02622</div>

1a Date of allocation ▶ N/A	b Maximum housing credit dollar amount allowable	1b	11,759
2 Maximum applicable credit percentage allowable (see instructions)		2	3.18 %
3a Maximum qualified basis		3a	369,780
b If the eligible basis used in the computation of line 3a was increased, check the applicable box and enter the percentage to which the eligible basis was increased (see instructions)		3b	1 0 0 %
<input type="checkbox"/> Building located in the Gulf Opportunity (GO) Zone, Rita GO Zone, or Wilma GO Zone <input type="checkbox"/> Section 42(d)(5)(B) high cost area provisions			
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-.)		4	63.99 %
5 Date building placed in service ▶ 05/08/2013			
6 Check the boxes that describe the allocation for the building (check those that apply):			
a <input type="checkbox"/> Newly constructed and federally subsidized		b <input type="checkbox"/> Newly constructed and not federally subsidized	
c <input checked="" type="checkbox"/> Existing building			
d <input type="checkbox"/> Sec. 42(e) rehabilitation expenditures federally subsidized		e <input type="checkbox"/> Sec. 42(e) rehabilitation expenditures not federally subsidized	
f <input type="checkbox"/> Not federally subsidized by reason of 40-50 rule under sec. 42(i)(2)(E)		g <input type="checkbox"/> Allocation subject to nonprofit set-aside under sec. 42(h)(5)	

Signature of Authorized Housing Credit Agency Official—Completed by Housing Credit Agency Only

Under penalties of perjury, I declare that the allocation made is in compliance with the requirements of section 42 of the Internal Revenue Code, and that I have examined this form and to the best of my knowledge and belief, the information is true, correct, and complete.

▶ **Dara Kovel - VP, Housing Development**
▶ 2/27/15
Signature of authorized official
Name (please type or print)
Date

Part II First-Year Certification—Completed by Building Owners with respect to the First Year of the Credit Period

7 Eligible basis of building (see instructions)	7	369,781
8a Original qualified basis of the building at close of first year of credit period	8a	369,781
b Are you treating this building as part of a multiple building project for purposes of section 42 (see instructions)?		
		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
9a If box 6a or box 6d is checked, do you elect to reduce eligible basis under section 42(i)(2)(B)?		
		<input type="checkbox"/> Yes <input type="checkbox"/> No
b For market-rate units above the average quality standards of low-income units in the building, do you elect to reduce eligible basis by disproportionate costs of non-low income units under section 42(d)(3)(B)?		
		<input type="checkbox"/> Yes <input type="checkbox"/> No
10 Check the appropriate box for each election:		
Caution: Once made, the following elections are irrevocable.		
a Elect to begin credit period the first year after the building is placed in service (section 42(f)(1))	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
b Elect not to treat large partnership as taxpayer (section 42(j)(5))	<input type="checkbox"/> Yes	
c Elect minimum set-aside requirement (section 42(g)) (see instructions)	<input type="checkbox"/> 20-50 <input checked="" type="checkbox"/> 40-60 <input type="checkbox"/> 25-60 (N.Y.C. only)	
d Elect deep rent skewed project (section 142(d)(4)(B)) (see instructions)	<input type="checkbox"/> 15-40	

Under penalties of perjury, I declare that I have examined this form and accompanying attachments, and to the best of my knowledge and belief, they are true, correct, and complete.

▶ 45-3133205
▶ _____
Signature
Taxpayer identification number
Date
▶ Country Village Apartments LLC
▶ 2013
Name (please type or print)
First year of the credit period

Low-Income Housing Credit Allocation and Certification

OMB No. 1545-0988

▶ Information about Form 8609 and its separate instructions is at www.irs.gov/form8609.

Part I Allocation of Credit

Check if: Addition to Qualified Basis Amended Form

A Address of building (do not use P.O. box) (see instructions) 64-78 Dorchester Drive Waterbury, CT 06704	B Name and address of housing credit agency Connecticut Housing Finance Authority 999 West Street Rocky Hill, CT 06067
C Name, address, and TIN of building owner receiving allocation Country Village, LLC 1241 Main Street Bridgeport, CT 06604 TIN ▶ 45-3133205	D Employer identification number of agency <div style="text-align: right;">06-1267528</div> E Building identification number (BIN) <div style="text-align: right;">CT-11-02622</div>

1a Date of allocation ▶ N/A	b Maximum housing credit dollar amount allowable	1b	26,857
2 Maximum applicable credit percentage allowable (see instructions)		2	3.27 %
3a Maximum qualified basis		3a	821,315
b If the eligible basis used in the computation of line 3a was increased, check the applicable box and enter the percentage to which the eligible basis was increased (see instructions)		3b	1 3 0 %
<input type="checkbox"/> Building located in the Gulf Opportunity (GO) Zone, Rita GO Zone, or Wilma GO Zone <input checked="" type="checkbox"/> Section 42(d)(5)(B) high cost area provisions			
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-.)		4	63.99 %
5 Date building placed in service ▶ 10/01/2013			
6 Check the boxes that describe the allocation for the building (check those that apply):			
a <input type="checkbox"/> Newly constructed and federally subsidized		b <input type="checkbox"/> Newly constructed and not federally subsidized	
c <input type="checkbox"/> Existing building		d <input checked="" type="checkbox"/> Sec. 42(e) rehabilitation expenditures federally subsidized	
e <input type="checkbox"/> Sec. 42(e) rehabilitation expenditures not federally subsidized		f <input type="checkbox"/> Not federally subsidized by reason of 40-50 rule under sec. 42(f)(2)(E)	
g <input type="checkbox"/> Allocation subject to nonprofit set-aside under sec. 42(h)(5)			

Signature of Authorized Housing Credit Agency Official—Completed by Housing Credit Agency Only

Under penalties of perjury, I declare that the allocation made is in compliance with the requirements of section 42 of the Internal Revenue Code, and that I have examined this form and to the best of my knowledge and belief, the information is true, correct, and complete.

Dara Kovel - VP, Housing Development
2/27/15
 Signature of authorized official Name (please type or print) Date

Part II First-Year Certification—Completed by Building Owners with respect to the First Year of the Credit Period

7 Eligible basis of building (see instructions)	7	821,317
8a Original qualified basis of the building at close of first year of credit period	8a	821,317
b Are you treating this building as part of a multiple building project for purposes of section 42 (see instructions)?		
		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
9a If box 6a or box 6d is checked, do you elect to reduce eligible basis under section 42(f)(2)(B)?		
		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
b For market-rate units above the average quality standards of low-income units in the building, do you elect to reduce eligible basis by disproportionate costs of non-low income units under section 42(d)(3)(B)?		
		<input type="checkbox"/> Yes <input type="checkbox"/> No
10 Check the appropriate box for each election:		
Caution: Once made, the following elections are irrevocable.		
a Elect to begin credit period the first year after the building is placed in service (section 42(f)(1))	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
b Elect not to treat large partnership as taxpayer (section 42(j)(5))	<input type="checkbox"/> Yes	
c Elect minimum set-aside requirement (section 42(g)) (see instructions) <input type="checkbox"/> 20-50 <input checked="" type="checkbox"/> 40-60	<input type="checkbox"/> 25-60 (N.Y.C. only)	
d Elect deep rent skewed project (section 142(d)(4)(B)) (see instructions)	<input type="checkbox"/> 15-40	

Under penalties of perjury, I declare that I have examined this form and accompanying attachments, and to the best of my knowledge and belief, they are true, correct, and complete.

45-3133205
Date
 Signature Taxpayer identification number

Country Village Apartments LLC
2013
 Name (please type or print) First year of the credit period

Low-Income Housing Credit Allocation and Certification

OMB No. 1545-0988

▶ Information about Form 8609 and its separate instructions is at www.irs.gov/form8609.

Part I Allocation of Credit

Check if: Addition to Qualified Basis Amended Form

A Address of building (do not use P.O. box) (see instructions) 117-135 Lester Drive Waterbury, CT 06704	B Name and address of housing credit agency Connecticut Housing Finance Authority 999 West Street Rocky Hill, CT 06067
C Name, address, and TIN of building owner receiving allocation Country Village, LLC 1241 Main Street Bridgeport, CT 06604 TIN ▶ 45-3133205	D Employer identification number of agency 06-1267520 E Building identification number (BIN) CT-11-02623

1a Date of allocation ▶ N/A	b Maximum housing credit dollar amount allowable	1b	12,692
2 Maximum applicable credit percentage allowable (see instructions)		2	3.18 %
3a Maximum qualified basis		3a	399,119
b If the eligible basis used in the computation of line 3a was increased, check the applicable box and enter the percentage to which the eligible basis was increased (see instructions)		3b	1 0 0 %
<input type="checkbox"/> Building located in the Gulf Opportunity (GO) Zone, Rita GO Zone, or Wilma GO Zone <input type="checkbox"/> Section 42(d)(5)(B) high cost area provisions			
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-.)		4	63.99 %
5 Date building placed in service ▶ 05/08/2013			
6 Check the boxes that describe the allocation for the building (check those that apply):			
a <input type="checkbox"/> Newly constructed and federally subsidized		b <input type="checkbox"/> Newly constructed and not federally subsidized	
c <input checked="" type="checkbox"/> Existing building			
d <input type="checkbox"/> Sec. 42(e) rehabilitation expenditures federally subsidized		e <input type="checkbox"/> Sec. 42(e) rehabilitation expenditures not federally subsidized	
f <input type="checkbox"/> Not federally subsidized by reason of 40-50 rule under sec. 42(f)(2)(E)		g <input type="checkbox"/> Allocation subject to nonprofit set-aside under sec. 42(h)(5)	

Signature of Authorized Housing Credit Agency Official—Completed by Housing Credit Agency Only

Under penalties of perjury, I declare that the allocation made is in compliance with the requirements of section 42 of the Internal Revenue Code, and that I have examined this form and to the best of my knowledge and belief, the information is true, correct, and complete.

Dara Kovel - VP, Housing Development
2/27/15
 Signature of authorized official Name (please type or print) Date

Part II First-Year Certification—Completed by Building Owners with respect to the First Year of the Credit Period

7 Eligible basis of building (see instructions)	7	399,123
8a Original qualified basis of the building at close of first year of credit period	8a	399,123
b Are you treating this building as part of a multiple building project for purposes of section 42 (see instructions)?		
		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
9a If box 6a or box 6d is checked, do you elect to reduce eligible basis under section 42(f)(2)(B)?		
		<input type="checkbox"/> Yes <input type="checkbox"/> No
b For market-rate units above the average quality standards of low-income units in the building, do you elect to reduce eligible basis by disproportionate costs of non-low income units under section 42(d)(3)(B)?		
		<input type="checkbox"/> Yes <input type="checkbox"/> No
10 Check the appropriate box for each election:		
Caution: Once made, the following elections are irrevocable.		
a Elect to begin credit period the first year after the building is placed in service (section 42(f)(1))	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
b Elect not to treat large partnership as taxpayer (section 42(j)(5))	<input type="checkbox"/> Yes	
c Elect minimum set-aside requirement (section 42(g)) (see instructions) <input type="checkbox"/> 20-50 <input checked="" type="checkbox"/> 40-60	<input type="checkbox"/> 25-60 (N.Y.C. only)	
d Elect deep rent skewed project (section 142(d)(4)(B)) (see instructions)	<input type="checkbox"/> 15-40	

Under penalties of perjury, I declare that I have examined this form and accompanying attachments, and to the best of my knowledge and belief, they are true, correct, and complete.

45-3133205
2013
 Signature Taxpayer identification number
 Country Village Apartments LLC First year of the credit period

Low-Income Housing Credit Allocation and Certification

▶ Information about Form 8609 and its separate instructions is at www.irs.gov/form8609.

Part I Allocation of Credit

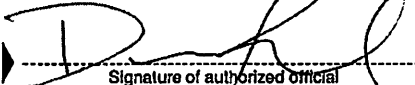
Check if: Addition to Qualified Basis Amended Form

A Address of building (do not use P.O. box) (see instructions) 117-135 Lester Drive Waterbury, CT 06704	B Name and address of housing credit agency Connecticut Housing Finance Authority 999 West Street Rocky Hill, CT 06067
C Name, address, and TIN of building owner receiving allocation Country Village, LLC 1241 Main Street Bridgeport, CT 06604 TIN ▶ 45-3133205	D Employer identification number of agency 06-1267528 E Building identification number (BIN) CT-11-02623

1a Date of allocation ▶ N/A	b Maximum housing credit dollar amount allowable	1b	28,988
2 Maximum applicable credit percentage allowable (see instructions)		2	3.27 %
3a Maximum qualified basis		3a	886,483
b If the eligible basis used in the computation of line 3a was increased, check the applicable box and enter the percentage to which the eligible basis was increased (see instructions)		3b	1 3 0 %
<input type="checkbox"/> Building located in the Gulf Opportunity (GO) Zone, Rita GO Zone, or Wilma GO Zone <input checked="" type="checkbox"/> Section 42(d)(5)(B) high cost area provisions			
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-.)		4	63.99 %
5 Date building placed in service ▶ 10/01/2013			
6 Check the boxes that describe the allocation for the building (check those that apply):			
a <input type="checkbox"/> Newly constructed and federally subsidized		b <input type="checkbox"/> Newly constructed and not federally subsidized	
c <input type="checkbox"/> Existing building		d <input checked="" type="checkbox"/> Sec. 42(e) rehabilitation expenditures federally subsidized	
e <input type="checkbox"/> Sec. 42(e) rehabilitation expenditures not federally subsidized		f <input type="checkbox"/> Not federally subsidized by reason of 40-50 rule under sec. 42(i)(2)(E)	
g <input type="checkbox"/> Allocation subject to nonprofit set-aside under sec. 42(h)(5)			

Signature of Authorized Housing Credit Agency Official—Completed by Housing Credit Agency Only


Under penalties of perjury, I declare that the allocation made is in compliance with the requirements of section 42 of the Internal Revenue Code, and that I have examined this form and to the best of my knowledge and belief, the information is true, correct, and complete.


Dara Kovel - VP, Housing Development
2/27/15
Signature of authorized official
Name (please type or print)
Date

Part II First-Year Certification—Completed by Building Owners with respect to the First Year of the Credit Period

7 Eligible basis of building (see instructions)	7	886,489
8a Original qualified basis of the building at close of first year of credit period	8a	886,489
b Are you treating this building as part of a multiple building project for purposes of section 42 (see instructions)?		
		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
9a If box 6a or box 6d is checked, do you elect to reduce eligible basis under section 42(i)(2)(B)?		
		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
b For market-rate units above the average quality standards of low-income units in the building, do you elect to reduce eligible basis by disproportionate costs of non-low income units under section 42(d)(3)(B)?		
		<input type="checkbox"/> Yes <input type="checkbox"/> No
10 Check the appropriate box for each election:		
<i>Caution: Once made, the following elections are irrevocable.</i>		
a Elect to begin credit period the first year after the building is placed in service (section 42(f)(1))	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
b Elect not to treat large partnership as taxpayer (section 42(j)(5))	<input type="checkbox"/> Yes	
c Elect minimum set-aside requirement (section 42(g)) (see instructions)	<input type="checkbox"/> 20-50 <input checked="" type="checkbox"/> 40-60 <input type="checkbox"/> 25-60 (N.Y.C. only)	
d Elect deep rent skewed project (section 142(d)(4)(B)) (see instructions)	<input type="checkbox"/> 15-40	

Under penalties of perjury, I declare that I have examined this form and accompanying attachments, and to the best of my knowledge and belief, they are true, correct, and complete.


45-3133205
Date
Signature
Taxpayer identification number

2013
Country Village Apartments LLC
First year of the credit period
Name (please type or print)

Low-Income Housing Credit Allocation and Certification

OMB No. 1545-0988

▶ Information about Form 8609 and its separate instructions is at www.irs.gov/form8609.

Part I Allocation of Credit

Check if: Addition to Qualified Basis Amended Form

A Address of building (do not use P.O. box) (see instructions) 77-91 Lester Drive Waterbury, CT 06704	B Name and address of housing credit agency Connecticut Housing Finance Authority 999 West Street Rocky Hill, CT 06067
C Name, address, and TIN of building owner receiving allocation Country Village, LLC 1241 Main Street Bridgeport, CT 06604 TIN ▶ 45-3133205	D Employer identification number of agency <div style="text-align: center;">06-1267528</div> E Building identification number (BIN) <div style="text-align: center;">CT-11-02624</div>

1a Date of allocation ▶ N/A	b Maximum housing credit dollar amount allowable	1b	9,309
2 Maximum applicable credit percentage allowable (see instructions)		2	3.18 %
3a Maximum qualified basis		3a	292,736
b If the eligible basis used in the computation of line 3a was increased, check the applicable box and enter the percentage to which the eligible basis was increased (see instructions)		3b	1 0 0 %
<input type="checkbox"/> Building located in the Gulf Opportunity (GO) Zone, Rita GO Zone, or Wilma GO Zone <input type="checkbox"/> Section 42(d)(5)(B) high cost area provisions			
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-.)		4	63.99 %
5 Date building placed in service ▶ 05/08/2013			
6 Check the boxes that describe the allocation for the building (check those that apply):			
a <input type="checkbox"/> Newly constructed and federally subsidized		b <input type="checkbox"/> Newly constructed and not federally subsidized	
c <input checked="" type="checkbox"/> Existing building			
d <input type="checkbox"/> Sec. 42(e) rehabilitation expenditures federally subsidized		e <input type="checkbox"/> Sec. 42(e) rehabilitation expenditures not federally subsidized	
f <input type="checkbox"/> Not federally subsidized by reason of 40-50 rule under sec. 42(i)(2)(E)		g <input type="checkbox"/> Allocation subject to nonprofit set-aside under sec. 42(h)(5)	

Signature of Authorized Housing Credit Agency Official—Completed by Housing Credit Agency Only

Under penalties of perjury, I declare that the allocation made is in compliance with the requirements of section 42 of the Internal Revenue Code, and that I have examined this form and to the best of my knowledge and belief, the information is true, correct, and complete.

Dara Kovel - VP, Housing Development
2/27/15
 Signature of authorized official Name (please type or print) Date

Part II First-Year Certification—Completed by Building Owners with respect to the First Year of the Credit Period

7 Eligible basis of building (see instructions)	7	292,736
8a Original qualified basis of the building at close of first year of credit period	8a	292,736
b Are you treating this building as part of a multiple building project for purposes of section 42 (see instructions)?		
		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
9a If box 6a or box 6d is checked, do you elect to reduce eligible basis under section 42(i)(2)(B)?		
		<input type="checkbox"/> Yes <input type="checkbox"/> No
b For market-rate units above the average quality standards of low-income units in the building, do you elect to reduce eligible basis by disproportionate costs of non-low income units under section 42(d)(3)(B)?		
		<input type="checkbox"/> Yes <input type="checkbox"/> No
10 Check the appropriate box for each election:		
Caution: Once made, the following elections are irrevocable.		
a Elect to begin credit period the first year after the building is placed in service (section 42(f)(1))	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
b Elect not to treat large partnership as taxpayer (section 42(j)(5))	<input type="checkbox"/> Yes	
c Elect minimum set-aside requirement (section 42(g)) (see instructions) <input type="checkbox"/> 20-50 <input checked="" type="checkbox"/> 40-60	<input type="checkbox"/> 25-60 (N.Y.C. only)	
d Elect deep rent skewed project (section 142(d)(4)(B)) (see instructions)	<input type="checkbox"/> 15-40	

Under penalties of perjury, I declare that I have examined this form and accompanying attachments, and to the best of my knowledge and belief, they are true, correct, and complete.

45-3133205
Date
 Signature Taxpayer identification number
 Country Village Apartments LLC 2013
 Name (please type or print) First year of the credit period

Low-Income Housing Credit Allocation and Certification

OMB No. 1545-0988

▶ Information about Form 8609 and its separate instructions is at www.irs.gov/form8609.

Part I Allocation of Credit

Check if: Addition to Qualified Basis Amended Form

A Address of building (do not use P.O. box) (see instructions) 77-91 Lester Drive Waterbury, CT 06704	B Name and address of housing credit agency Connecticut Housing Finance Authority 999 West Street Rocky Hill, CT 06067
C Name, address, and TIN of building owner receiving allocation Country Village, LLC 1241 Main Street Bridgeport, CT 06604 TIN ▶ 45-3133205	D Employer identification number of agency <div style="text-align: right;">06-1267528</div> E Building Identification number (BIN) <div style="text-align: right;">CT-11-02624</div>

1a Date of allocation ▶ N/A b Maximum housing credit dollar amount allowable	1b	21,261
2 Maximum applicable credit percentage allowable (see instructions)	2	3.18 %
3a Maximum qualified basis	3a	650,183
b If the eligible basis used in the computation of line 3a was increased, check the applicable box and enter the percentage to which the eligible basis was increased (see instructions)	3b	1 0 0 %
<input type="checkbox"/> Building located in the Gulf Opportunity (GO) Zone, Rita GO Zone, or Wilma GO Zone <input checked="" type="checkbox"/> Section 42(d)(5)(B) high cost area provisions		
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-)	4	63.99 %
5 Date building placed in service ▶ 10/1/2013		
6 Check the boxes that describe the allocation for the building (check those that apply): a <input type="checkbox"/> Newly constructed and federally subsidized b <input type="checkbox"/> Newly constructed and not federally subsidized c <input checked="" type="checkbox"/> Existing building d <input type="checkbox"/> Sec. 42(e) rehabilitation expenditures federally subsidized e <input type="checkbox"/> Sec. 42(e) rehabilitation expenditures not federally subsidized f <input type="checkbox"/> Not federally subsidized by reason of 40-50 rule under sec. 42(i)(2)(E) g <input type="checkbox"/> Allocation subject to nonprofit set-aside under sec. 42(h)(5)		

Signature of Authorized Housing Credit Agency Official—Completed by Housing Credit Agency Only

Under penalties of perjury, I declare that the allocation made is in compliance with the requirements of section 42 of the Internal Revenue Code, and that I have examined this form and to the best of my knowledge and belief, the information is true, correct, and complete.

 Signature of authorized official	Dara Kovel - VP, Housing Development Name (please type or print)	2/27/15 Date
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Part II First-Year Certification—Completed by Building Owners with respect to the First Year of the Credit Period

7 Eligible basis of building (see instructions)	7	650,194
8a Original qualified basis of the building at close of first year of credit period	8a	650,194
b Are you treating this building as part of a multiple building project for purposes of section 42 (see instructions)?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
9a If box 6a or box 6d is checked, do you elect to reduce eligible basis under section 42(i)(2)(B)?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
b For market-rate units above the average quality standards of low-income units in the building, do you elect to reduce eligible basis by disproportionate costs of non-low income units under section 42(d)(3)(B)?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
10 Check the appropriate box for each election: Caution: Once made, the following elections are irrevocable.		
a Elect to begin credit period the first year after the building is placed in service (section 42(f)(1)) ▶	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
b Elect not to treat large partnership as taxpayer (section 42(j)(5)) ▶	<input type="checkbox"/> Yes	
c Elect minimum set-aside requirement (section 42(g)) (see instructions) <input type="checkbox"/> 20-50 <input checked="" type="checkbox"/> 40-60	<input type="checkbox"/> 25-60 (N.Y.C. only)	
d Elect deep rent skewed project (section 142(d)(4)(B)) (see instructions)	<input type="checkbox"/> 15-40	

Under penalties of perjury, I declare that I have examined this form and accompanying attachments, and to the best of my knowledge and belief, they are true, correct, and complete.

 Signature	45-3133205 Taxpayer identification number	Date
Country Village Apartments LLC Name (please type or print)	2013 First year of the credit period	

Low-Income Housing Credit Allocation and Certification

OMB No. 1545-0988

▶ Information about Form 8609 and its separate instructions is at www.irs.gov/form8609.

Part I Allocation of Credit

Check if: Addition to Qualified Basis Amended Form

A Address of building (do not use P.O. box) (see instructions) 130-140 Lester Drive Waterbury, CT 06704	B Name and address of housing credit agency Connecticut Housing Finance Authority 999 West Street Rocky Hill, CT 06067
C Name, address, and TIN of building owner receiving allocation Country Village, LLC 1241 Main Street Bridgeport, CT 06604 TIN ▶ 45-3133205	D Employer identification number of agency <div style="text-align: right;">06-1267528</div> E Building identification number (BIN) <div style="text-align: right;">CT-11-02625</div>

1a Date of allocation ▶ N/A b Maximum housing credit dollar amount allowable	1b	7,738
2 Maximum applicable credit percentage allowable (see instructions)	2	3.18%
3a Maximum qualified basis	3a	243,333
b If the eligible basis used in the computation of line 3a was increased, check the applicable box and enter the percentage to which the eligible basis was increased (see instructions)	3b	1 0 0 %
<input type="checkbox"/> Building located in the Gulf Opportunity (GO) Zone, Rita GO Zone, or Wilma GO Zone <input type="checkbox"/> Section 42(d)(5)(B) high cost area provisions		
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-)	4	63.99%
5 Date building placed in service		▶ 05/08/2013
6 Check the boxes that describe the allocation for the building (check those that apply):		
a <input type="checkbox"/> Newly constructed and federally subsidized b <input type="checkbox"/> Newly constructed and not federally subsidized c <input checked="" type="checkbox"/> Existing building		
d <input type="checkbox"/> Sec. 42(e) rehabilitation expenditures federally subsidized e <input type="checkbox"/> Sec. 42(e) rehabilitation expenditures not federally subsidized		
f <input type="checkbox"/> Not federally subsidized by reason of 40-50 rule under sec. 42(f)(2)(E) g <input type="checkbox"/> Allocation subject to nonprofit set-aside under sec. 42(h)(5)		

Signature of Authorized Housing Credit Agency Official—Completed by Housing Credit Agency Only

Under penalties of perjury, I declare that the allocation made is in compliance with the requirements of section 42 of the Internal Revenue Code, and that I have examined this form and to the best of my knowledge and belief, the information is true, correct, and complete.

Signature of authorized official	Dara Kovel - VP, Housing Development Name (please type or print)	2/27/15 Date
----------------------------------	---	-----------------

Part II First-Year Certification—Completed by Building Owners with respect to the First Year of the Credit Period

7 Eligible basis of building (see instructions)	7	243,318
8a Original qualified basis of the building at close of first year of credit period	8a	243,318
b Are you treating this building as part of a multiple building project for purposes of section 42 (see instructions)?		
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
9a If box 6a or box 6d is checked, do you elect to reduce eligible basis under section 42(i)(2)(B)?		
<input type="checkbox"/> Yes <input type="checkbox"/> No		
b For market-rate units above the average quality standards of low-income units in the building, do you elect to reduce eligible basis by disproportionate costs of non-low income units under section 42(d)(3)(B)?		
<input type="checkbox"/> Yes <input type="checkbox"/> No		
10 Check the appropriate box for each election:		
Caution: Once made, the following elections are irrevocable.		
a Elect to begin credit period the first year after the building is placed in service (section 42(f)(1)) ▶		
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b Elect not to treat large partnership as taxpayer (section 42(j)(5)) ▶		
<input type="checkbox"/> Yes		
c Elect minimum set-aside requirement (section 42(g)) (see instructions) <input type="checkbox"/> 20-50 <input checked="" type="checkbox"/> 40-60		
<input type="checkbox"/> 25-60 (N.Y.C. only)		
d Elect deep rent skewed project (section 142(d)(4)(B)) (see instructions)		
<input type="checkbox"/> 15-40		

Under penalties of perjury, I declare that I have examined this form and accompanying attachments, and to the best of my knowledge and belief, they are true, correct, and complete.

Signature	45-3133205 Taxpayer identification number	Date
Country Village Apartments LLC Name (please type or print)	2013 First year of the credit period	

Low-Income Housing Credit Allocation and Certification

▶ Information about Form 8609 and its separate instructions is at www.irs.gov/form8609.

Part I Allocation of Credit

Check if: Addition to Qualified Basis Amended Form

A Address of building (do not use P.O. box) (see instructions) 130-140 Lester Drive Waterbury, CT 06704	B Name and address of housing credit agency Connecticut Housing Finance Authority 999 West Street Rocky Hill, CT 06067
C Name, address, and TIN of building owner receiving allocation Country Village, LLC 1241 Main Street Bridgeport, CT 06604 TIN ▶ 45-3133205	D Employer identification number of agency 06-1267528 E Building identification number (BIN) CT-11-02625

1a Date of allocation ▶ N/A	b Maximum housing credit dollar amount allowable	1b	17,672
2 Maximum applicable credit percentage allowable (see instructions)		2	3.27%
3a Maximum qualified basis		3a	540,428
b If the eligible basis used in the computation of line 3a was increased, check the applicable box and enter the percentage to which the eligible basis was increased (see instructions)		3b	1 3 0 %
<input type="checkbox"/> Building located in the Gulf Opportunity (GO) Zone, Rita GO Zone, or Wilma GO Zone <input checked="" type="checkbox"/> Section 42(d)(5)(B) high cost area provisions			
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-.)		4	63.99%
5 Date building placed in service	▶ 10/01/2013		
6 Check the boxes that describe the allocation for the building (check those that apply):			
a <input type="checkbox"/> Newly constructed and federally subsidized		b <input type="checkbox"/> Newly constructed and not federally subsidized	
c <input type="checkbox"/> Existing building			
d <input checked="" type="checkbox"/> Sec. 42(e) rehabilitation expenditures federally subsidized		e <input type="checkbox"/> Sec. 42(e) rehabilitation expenditures not federally subsidized	
f <input type="checkbox"/> Not federally subsidized by reason of 40-50 rule under sec. 42(i)(2)(E)		g <input type="checkbox"/> Allocation subject to nonprofit set-aside under sec. 42(h)(5)	

Signature of Authorized Housing Credit Agency Official—Completed by Housing Credit Agency Only

Under penalties of perjury, I declare that the allocation made is in compliance with the requirements of section 42 of the Internal Revenue Code, and that I have examined this form and to the best of my knowledge and belief, the information is true, correct, and complete.

▶ **Dara Kovel - VP, Housing Development**
▶ 2/27/15
Signature of authorized official Name (please type or print) Date

Part II First-Year Certification—Completed by Building Owners with respect to the First Year of the Credit Period

7 Eligible basis of building (see instructions)	7	540,431
8a Original qualified basis of the building at close of first year of credit period	8a	540,431
b Are you treating this building as part of a multiple building project for purposes of section 42 (see instructions)?		
		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
9a If box 6a or box 6d is checked, do you elect to reduce eligible basis under section 42(i)(2)(B)?		
		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
b For market-rate units above the average quality standards of low-income units in the building, do you elect to reduce eligible basis by disproportionate costs of non-low income units under section 42(d)(3)(B)?		
		<input type="checkbox"/> Yes <input type="checkbox"/> No
10 Check the appropriate box for each election: Caution: Once made, the following elections are irrevocable.		
a Elect to begin credit period the first year after the building is placed in service (section 42(f)(1))	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
b Elect not to treat large partnership as taxpayer (section 42(j)(5))	<input type="checkbox"/> Yes	
c Elect minimum set-aside requirement (section 42(g)) (see instructions) <input type="checkbox"/> 20-50 <input checked="" type="checkbox"/> 40-60	<input type="checkbox"/> 25-60 (N.Y.C. only)	
d Elect deep rent skewed project (section 142(d)(4)(B)) (see instructions)	<input type="checkbox"/> 15-40	

Under penalties of perjury, I declare that I have examined this form and accompanying attachments, and to the best of my knowledge and belief, they are true, correct, and complete.

▶ 45-3133205
▶ _____
Signature Taxpayer identification number Date
▶ Country Village Apartments LLC
▶ 2013
Name (please type or print) First year of the credit period

Low-Income Housing Credit Allocation and Certification

OMB No. 1545-0988

▶ Information about Form 8609 and its separate instructions is at www.irs.gov/form8609.

Part I Allocation of Credit

Check if: Addition to Qualified Basis Amended Form

A Address of building (do not use P.O. box) (see instructions) 100-110 Lester Drive Waterbury, CT 06704	B Name and address of housing credit agency Connecticut Housing Finance Authority 999 West Street Rocky Hill, CT 06067
C Name, address, and TIN of building owner receiving allocation Country Village, LLC 1241 Main Street Bridgeport, CT 06604 TIN ▶ 45-3133205	D Employer identification number of agency 06-1267528 E Building identification number (BIN) CT-11-02626

1a Date of allocation ▶ N/A	b Maximum housing credit dollar amount allowable	1b	7,738
2 Maximum applicable credit percentage allowable (see instructions)		2	3.18 %
3a Maximum qualified basis		3a	243,333
b If the eligible basis used in the computation of line 3a was increased, check the applicable box and enter the percentage to which the eligible basis was increased (see instructions)		3b	1 3 0 %
<input type="checkbox"/> Building located in the Gulf Opportunity (GO) Zone, Rita GO Zone, or Wilma GO Zone <input type="checkbox"/> Section 42(d)(5)(B) high cost area provisions			
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-.)		4	63.99 %
5 Date building placed in service ▶ 05/08/2013			
6 Check the boxes that describe the allocation for the building (check those that apply):			
a <input type="checkbox"/> Newly constructed and federally subsidized		b <input type="checkbox"/> Newly constructed and not federally subsidized	
c <input checked="" type="checkbox"/> Existing building			
d <input type="checkbox"/> Sec. 42(e) rehabilitation expenditures federally subsidized		e <input type="checkbox"/> Sec. 42(e) rehabilitation expenditures not federally subsidized	
f <input type="checkbox"/> Not federally subsidized by reason of 40-50 rule under sec. 42(i)(2)(E)		g <input type="checkbox"/> Allocation subject to nonprofit set-aside under sec. 42(h)(5)	

Signature of Authorized Housing Credit Agency Official—Completed by Housing Credit Agency Only

Under penalties of perjury, I declare that the allocation made is in compliance with the requirements of section 42 of the Internal Revenue Code, and that I have examined this form and to the best of my knowledge and belief, the information is true, correct, and complete.

Signature of authorized official
 ▶
 Dara Kovel - VP, Housing Development
 ▶
 2/27/15
 ▶
 Date

Part II First-Year Certification—Completed by Building Owners with respect to the First Year of the Credit Period

7 Eligible basis of building (see instructions)	7	243,318
8a Original qualified basis of the building at close of first year of credit period	8a	243,318
b Are you treating this building as part of a multiple building project for purposes of section 42 (see instructions)?		
		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
9a If box 6a or box 6d is checked, do you elect to reduce eligible basis under section 42(i)(2)(B)?		
		<input type="checkbox"/> Yes <input type="checkbox"/> No
b For market-rate units above the average quality standards of low-income units in the building, do you elect to reduce eligible basis by disproportionate costs of non-low income units under section 42(d)(3)(B)?		
		<input type="checkbox"/> Yes <input type="checkbox"/> No
10 Check the appropriate box for each election:		
Caution: Once made, the following elections are irrevocable.		
a Elect to begin credit period the first year after the building is placed in service (section 42(f)(1))	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
b Elect not to treat large partnership as taxpayer (section 42(j)(5))	<input type="checkbox"/> Yes	
c Elect minimum set-aside requirement (section 42(g)) (see instructions) <input type="checkbox"/> 20-50 <input checked="" type="checkbox"/> 40-60	<input type="checkbox"/> 25-60 (N.Y.C. only)	
d Elect deep rent skewed project (section 142(d)(4)(B)) (see instructions)	<input type="checkbox"/> 15-40	

Under penalties of perjury, I declare that I have examined this form and accompanying attachments, and to the best of my knowledge and belief, they are true, correct, and complete.

Signature
 ▶
 45-3133205
 ▶
 Taxpayer identification number
 ▶
 Date

Country Village Apartments LLC
 ▶
 2013
 ▶
 First year of the credit period

Low-Income Housing Credit Allocation and Certification

OMB No. 1545-0988

▶ Information about Form 8609 and its separate instructions is at www.irs.gov/form8609.

Part I Allocation of Credit

Check if: Addition to Qualified Basis Amended Form

A Address of building (do not use P.O. box) (see instructions) 100-110 Lester Drive Waterbury, CT 06704	B Name and address of housing credit agency Connecticut Housing Finance Authority 999 West Street Rocky Hill, CT 06067
C Name, address, and TIN of building owner receiving allocation Country Village, LLC 1241 Main Street Bridgeport, CT 06604 TIN ▶ 45-3133205	D Employer identification number of agency 06-1267528 E Building identification number (BIN) CT-11-02626

1a Date of allocation ▶ N/A b Maximum housing credit dollar amount allowable	1b	17,672
2 Maximum applicable credit percentage allowable (see instructions)	2	3.27 %
3a Maximum qualified basis	3a	540,428
b If the eligible basis used in the computation of line 3a was increased, check the applicable box and enter the percentage to which the eligible basis was increased (see instructions) <input type="checkbox"/> Building located in the Gulf Opportunity (GO) Zone, Rita GO Zone, or Wilma GO Zone <input checked="" type="checkbox"/> Section 42(d)(5)(B) high cost area provisions	3b	1 3 0 %
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-)	4	63.99 %
5 Date building placed in service ▶ 10/01/2013		
6 Check the boxes that describe the allocation for the building (check those that apply): a <input type="checkbox"/> Newly constructed and federally subsidized b <input type="checkbox"/> Newly constructed and not federally subsidized c <input type="checkbox"/> Existing building d <input checked="" type="checkbox"/> Sec. 42(e) rehabilitation expenditures federally subsidized e <input type="checkbox"/> Sec. 42(e) rehabilitation expenditures not federally subsidized f <input type="checkbox"/> Not federally subsidized by reason of 40-50 rule under sec. 42(f)(2)(E) g <input type="checkbox"/> Allocation subject to nonprofit set-aside under sec. 42(h)(5)		

Signature of Authorized Housing Credit Agency Official—Completed by Housing Credit Agency Only

Under penalties of perjury, I declare that the allocation made is in compliance with the requirements of section 42 of the Internal Revenue Code, and that I have examined this form and to the best of my knowledge and belief, the information is true, correct, and complete.

Dara Kovel - VP, Housing Development
2/27/15
 Signature of authorized official Name (please type or print) Date

Part II First-Year Certification—Completed by Building Owners with respect to the First Year of the Credit Period

7 Eligible basis of building (see instructions)	7	540,431
8a Original qualified basis of the building at close of first year of credit period	8a	540,431
b Are you treating this building as part of a multiple building project for purposes of section 42 (see instructions)?		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
9a If box 6a or box 6d is checked, do you elect to reduce eligible basis under section 42(f)(2)(B)? b For market-rate units above the average quality standards of low-income units in the building, do you elect to reduce eligible basis by disproportionate costs of non-low income units under section 42(d)(3)(E)? ▶		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes <input type="checkbox"/> No
10 Check the appropriate box for each election: Caution: Once made, the following elections are irrevocable.		
a Elect to begin credit period the first year after the building is placed in service (section 42(f)(1)) ▶ b Elect not to treat large partnership as taxpayer (section 42(j)(5)) ▶ c Elect minimum set-aside requirement (section 42(g)) (see instructions) <input type="checkbox"/> 20-50 <input checked="" type="checkbox"/> 40-60 <input type="checkbox"/> 25-60 (N.Y.C. only) d Elect deep rent skewed project (section 142(d)(4)(B)) (see instructions)		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes <input type="checkbox"/> 15-40

Under penalties of perjury, I declare that I have examined this form and accompanying attachments, and to the best of my knowledge and belief, they are true, correct, and complete.

45-3133205
Date
 Signature Taxpayer identification number

Country Village Apartments LLC
2013
 Name (please type or print) First year of the credit period

Low-Income Housing Credit Allocation and Certification

OMB No. 1545-0988

▶ Information about Form 8609 and its separate instructions is at www.irs.gov/form8609.

Part I Allocation of Credit

Check if: Addition to Qualified Basis Amended Form

A Address of building (do not use P.O. box) (see instructions) 62-80 Lester Drive Waterbury, CT 06704	B Name and address of housing credit agency Connecticut Housing Finance Authority 999 West Street Rocky Hill, CT 06067
C Name, address, and TIN of building owner receiving allocation Country Village, LLC 1241 Main Street Bridgeport, CT 06604 TIN ▶ 45-3133205	D Employer identification number of agency <div style="text-align: right;">06-1267520</div> E Building identification number (BIN) <div style="text-align: right;">CT-11-02627</div>

1a Date of allocation ▶ N/A b Maximum housing credit dollar amount allowable	1b	12,692
2 Maximum applicable credit percentage allowable (see instructions)	2	3.18 %
3a Maximum qualified basis	3a	399,119
b If the eligible basis used in the computation of line 3a was increased, check the applicable box and enter the percentage to which the eligible basis was increased (see instructions)	3b	1 0 0 %
<input type="checkbox"/> Building located in the Gulf Opportunity (GO) Zone, Rita GO Zone, or Wilma GO Zone <input type="checkbox"/> Section 42(d)(5)(B) high cost area provisions		
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-)	4	63.99 %
5 Date building placed in service		▶ 05/08/2013
6 Check the boxes that describe the allocation for the building (check those that apply):		
a <input type="checkbox"/> Newly constructed and federally subsidized b <input type="checkbox"/> Newly constructed and not federally subsidized c <input checked="" type="checkbox"/> Existing building		
d <input type="checkbox"/> Sec. 42(e) rehabilitation expenditures federally subsidized e <input type="checkbox"/> Sec. 42(e) rehabilitation expenditures not federally subsidized		
f <input type="checkbox"/> Not federally subsidized by reason of 40-50 rule under sec. 42(f)(2)(E) g <input type="checkbox"/> Allocation subject to nonprofit set-aside under sec. 42(h)(5)		

Signature of Authorized Housing Credit Agency Official—Completed by Housing Credit Agency Only

Under penalties of perjury, I declare that the allocation made is in compliance with the requirements of section 42 of the Internal Revenue Code, and that I have examined this form and to the best of my knowledge and belief, the information is true, correct, and complete.

▶ **Dara Kovel - VP, Housing Development**
▶ 2/27/15
Signature of authorized official Name (please type or print) Date

Part II First-Year Certification—Completed by Building Owners with respect to the First Year of the Credit Period

7 Eligible basis of building (see instructions)	7	399,123
8a Original qualified basis of the building at close of first year of credit period	8a	399,123
b Are you treating this building as part of a multiple building project for purposes of section 42 (see instructions)?		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
9a If box 6a or box 6d is checked, do you elect to reduce eligible basis under section 42(f)(2)(B)?		<input type="checkbox"/> Yes <input type="checkbox"/> No
b For market-rate units above the average quality standards of low-income units in the building, do you elect to reduce eligible basis by disproportionate costs of non-low income units under section 42(d)(3)(B)?		<input type="checkbox"/> Yes <input type="checkbox"/> No
10 Check the appropriate box for each election: Caution: Once made, the following elections are irrevocable.		
a Elect to begin credit period the first year after the building is placed in service (section 42(f)(1))		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
b Elect not to treat large partnership as taxpayer (section 42(j)(5))		<input type="checkbox"/> Yes
c Elect minimum set-aside requirement (section 42(g)) (see instructions) <input type="checkbox"/> 20-50 <input checked="" type="checkbox"/> 40-60		<input type="checkbox"/> 25-60 (N.Y.C. only)
d Elect deep rent skewed project (section 142(d)(4)(B)) (see instructions)		<input type="checkbox"/> 15-40

Under penalties of perjury, I declare that I have examined this form and accompanying attachments, and to the best of my knowledge and belief, they are true, correct, and complete.

▶ 45-3133205
▶ _____
Signature Taxpayer identification number Date
▶ Country Village Apartments LLC
▶ 2013
Name (please type or print) First year of the credit period

Low-Income Housing Credit Allocation and Certification

OMB No. 1545-0988

▶ Information about Form 8609 and its separate instructions is at www.irs.gov/form8609.

Part I Allocation of Credit

Check if: Addition to Qualified Basis Amended Form

A Address of building (do not use P.O. box) (see instructions) 62-80 Lester Drive Waterbury, CT 06704	B Name and address of housing credit agency Connecticut Housing Finance Authority 999 West Street Rocky Hill, CT 06067
C Name, address, and TIN of building owner receiving allocation Country Village, LLC 1241 Main Street Bridgeport, CT 06604 TIN ▶ 45-3133205	D Employer identification number of agency 06-1267528
	E Building identification number (BIN) CT-11-02627

1a Date of allocation ▶ N/A	b Maximum housing credit dollar amount allowable	1b	20,988
2 Maximum applicable credit percentage allowable (see instructions)		2	3.27 %
3a Maximum qualified basis		3a	886,483
b If the eligible basis used in the computation of line 3a was increased, check the applicable box and enter the percentage to which the eligible basis was increased (see instructions)		3b	1 3 0 %
<input type="checkbox"/> Building located in the Gulf Opportunity (GO) Zone, Rita GO Zone, or Wilma GO Zone <input checked="" type="checkbox"/> Section 42(d)(5)(B) high cost area provisions			
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-.)		4	63.99 %
5 Date building placed in service ▶ 10/01/2013			
6 Check the boxes that describe the allocation for the building (check those that apply):			
a <input type="checkbox"/> Newly constructed and federally subsidized		b <input type="checkbox"/> Newly constructed and not federally subsidized	
c <input type="checkbox"/> Existing building		d <input checked="" type="checkbox"/> Sec. 42(e) rehabilitation expenditures federally subsidized	
e <input type="checkbox"/> Sec. 42(e) rehabilitation expenditures not federally subsidized		f <input type="checkbox"/> Not federally subsidized by reason of 40-50 rule under sec. 42(i)(2)(E)	
g <input type="checkbox"/> Allocation subject to nonprofit set-aside under sec. 42(h)(5)			

Signature of Authorized Housing Credit Agency Official—Completed by Housing Credit Agency Only

Under penalties of perjury, I declare that the allocation made is in compliance with the requirements of section 42 of the Internal Revenue Code, and that I have examined this form and to the best of my knowledge and belief, the information is true, correct, and complete.

▶
Dara Kovel - VP, Housing Development
▶
2/27/15

Signature of authorized official
Name (please type or print)
Date

Part II First-Year Certification—Completed by Building Owners with respect to the First Year of the Credit Period

7 Eligible basis of building (see instructions)	7	886,489
8a Original qualified basis of the building at close of first year of credit period	8a	886,489
b Are you treating this building as part of a multiple building project for purposes of section 42 (see instructions)?		
		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
9a If box 6a or box 6d is checked, do you elect to reduce eligible basis under section 42(i)(2)(B)?		
		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
b For market-rate units above the average quality standards of low-income units in the building, do you elect to reduce eligible basis by disproportionate costs of non-low income units under section 42(d)(3)(B)?		
		<input type="checkbox"/> Yes <input type="checkbox"/> No
10 Check the appropriate box for each election:		
Caution: Once made, the following elections are irrevocable.		
a Elect to begin credit period the first year after the building is placed in service (section 42(f)(1))	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
b Elect not to treat large partnership as taxpayer (section 42(j)(5))	<input type="checkbox"/> Yes	
c Elect minimum set-aside requirement (section 42(g)) (see instructions) <input type="checkbox"/> 20-50 <input checked="" type="checkbox"/> 40-60	<input type="checkbox"/> 25-60 (N.Y.C. only)	
d Elect deep rent skewed project (section 142(d)(4)(B)) (see instructions)	<input type="checkbox"/> 15-40	

Under penalties of perjury, I declare that I have examined this form and accompanying attachments, and to the best of my knowledge and belief, they are true, correct, and complete.

▶
45-3133205
▶
2013

Signature
Taxpayer identification number
Date

Country Village Apartments LLC
▶
2013

Name (please type or print)
First year of the credit period

Low-Income Housing Credit Allocation and Certification

OMB No. 1545-0988

▶ Information about Form 8609 and its separate instructions is at www.irs.gov/form8609.

Part I Allocation of Credit

Check if: Addition to Qualified Basis Amended Form

A Address of building (do not use P.O. box) (see instructions) 40-58 Lester Drive Waterbury, CT 06704	B Name and address of housing credit agency Connecticut Housing Finance Authority 999 West Street Rocky Hill, CT 06067
C Name, address, and TIN of building owner receiving allocation Country Village, LLC 1241 Main Street Bridgeport, CT 06604 TIN ▶ 45-3133205	D Employer identification number of agency <div style="text-align: right;">06-1267528</div> E Building identification number (BIN) <div style="text-align: right;">CT-11-02628</div>

1a Date of allocation ▶ N/A b Maximum housing credit dollar amount allowable	1b	12,692
2 Maximum applicable credit percentage allowable (see instructions)	2	3.18 %
3a Maximum qualified basis	3a	399,119
b If the eligible basis used in the computation of line 3a was increased, check the applicable box and enter the percentage to which the eligible basis was increased (see instructions)	3b	1 0 0 %
<input type="checkbox"/> Building located in the Gulf Opportunity (GO) Zone, Rita GO Zone, or Wilma GO Zone <input type="checkbox"/> Section 42(d)(5)(B) high cost area provisions		
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-)	4	63.99 %
5 Date building placed in service		05/08/2013
6 Check the boxes that describe the allocation for the building (check those that apply): a <input type="checkbox"/> Newly constructed and federally subsidized b <input type="checkbox"/> Newly constructed and not federally subsidized c <input checked="" type="checkbox"/> Existing building d <input type="checkbox"/> Sec. 42(e) rehabilitation expenditures federally subsidized e <input type="checkbox"/> Sec. 42(e) rehabilitation expenditures not federally subsidized f <input type="checkbox"/> Not federally subsidized by reason of 40-50 rule under sec. 42(f)(2)(E) g <input type="checkbox"/> Allocation subject to nonprofit set-aside under sec. 42(h)(5)		

Signature of Authorized Housing Credit Agency Official—Completed by Housing Credit Agency Only

Under penalties of perjury, I declare that the allocation made is in compliance with the requirements of section 42 of the Internal Revenue Code, and that I have examined this form and to the best of my knowledge and belief, the information is true, correct, and complete.

Signature of authorized official	Dara Kovel - VP, Housing Development Name (please type or print)	2/27/15 Date
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Part II First-Year Certification—Completed by Building Owners with respect to the First Year of the Credit Period

7 Eligible basis of building (see instructions)	7	399,123
8a Original qualified basis of the building at close of first year of credit period	8a	399,123
b Are you treating this building as part of a multiple building project for purposes of section 42 (see instructions)?		
	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
9a If box 6a or box 6d is checked, do you elect to reduce eligible basis under section 42(f)(2)(B)?		
	<input type="checkbox"/> Yes <input type="checkbox"/> No	
b For market-rate units above the average quality standards of low-income units in the building, do you elect to reduce eligible basis by disproportionate costs of non-low income units under section 42(d)(3)(B)?		
	<input type="checkbox"/> Yes <input type="checkbox"/> No	
10 Check the appropriate box for each election: Caution: Once made, the following elections are irrevocable.		
a Elect to begin credit period the first year after the building is placed in service (section 42(f)(1))	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
b Elect not to treat large partnership as taxpayer (section 42(j)(5))	<input type="checkbox"/> Yes	
c Elect minimum set-aside requirement (section 42(g)) (see instructions) <input type="checkbox"/> 20-50 <input checked="" type="checkbox"/> 40-60	<input type="checkbox"/> 25-60 (N.Y.C. only)	
d Elect deep rent skewed project (section 142(d)(4)(B)) (see instructions)	<input type="checkbox"/> 15-40	

Under penalties of perjury, I declare that I have examined this form and accompanying attachments, and to the best of my knowledge and belief, they are true, correct, and complete.

Signature	45-3133205 Taxpayer identification number	Date
Country Village Apartments LLC Name (please type or print)	2013 First year of the credit period	

Low-Income Housing Credit Allocation and Certification

OMB No. 1545-0988

▶ Information about Form 8609 and its separate instructions is at www.irs.gov/form8609.

Part I Allocation of Credit

Check if: Addition to Qualified Basis Amended Form

A Address of building (do not use P.O. box) (see instructions) 40-58 Lester Drive Waterbury, CT 06704	B Name and address of housing credit agency Connecticut Housing Finance Authority 999 West Street Rocky Hill, CT 06067
C Name, address, and TIN of building owner receiving allocation Country Village, LLC 1241 Main Street Bridgeport, CT 06604 TIN ▶ 45-3133205	D Employer identification number of agency <div style="text-align: right;">06-1267528</div> E Building identification number (BIN) <div style="text-align: right;">CT-11-02628</div>

1a Date of allocation ▶ N/A	b Maximum housing credit dollar amount allowable	1b	28,988
2 Maximum applicable credit percentage allowable (see instructions)		2	3.27%
3a Maximum qualified basis		3a	886,483
b If the eligible basis used in the computation of line 3a was increased, check the applicable box and enter the percentage to which the eligible basis was increased (see instructions)		3b	1 3 0 %
<input type="checkbox"/> Building located in the Gulf Opportunity (GO) Zone, Rita GO Zone, or Wilma GO Zone <input checked="" type="checkbox"/> Section 42(d)(5)(B) high cost area provisions		4	63.99%
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-.)			
5 Date building placed in service ▶ 10/01/2013			
6 Check the boxes that describe the allocation for the building (check those that apply):			
a <input type="checkbox"/> Newly constructed and federally subsidized		b <input type="checkbox"/> Newly constructed and not federally subsidized	
c <input type="checkbox"/> Existing building		d <input checked="" type="checkbox"/> Sec. 42(e) rehabilitation expenditures federally subsidized	
e <input type="checkbox"/> Sec. 42(e) rehabilitation expenditures not federally subsidized		f <input type="checkbox"/> Not federally subsidized by reason of 40-50 rule under sec. 42(i)(2)(E)	
g <input type="checkbox"/> Allocation subject to nonprofit set-aside under sec. 42(h)(5)			

Signature of Authorized Housing Credit Agency Official—Completed by Housing Credit Agency Only

Under penalties of perjury, I declare that the allocation made is in compliance with the requirements of section 42 of the Internal Revenue Code, and that I have examined this form and to the best of my knowledge and belief, the information is true, correct, and complete.

Signature of authorized official	Dara Kovel - VP, Housing Development Name (please type or print)	2/27/15 Date
----------------------------------	---	-----------------

Part II First-Year Certification—Completed by Building Owners with respect to the First Year of the Credit Period

7 Eligible basis of building (see instructions)	7	886,489
8a Original qualified basis of the building at close of first year of credit period	8a	886,489
b Are you treating this building as part of a multiple building project for purposes of section 42 (see instructions)?		
		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
9a If box 6a or box 6d is checked, do you elect to reduce eligible basis under section 42(i)(2)(B)?		
		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
b For market-rate units above the average quality standards of low-income units in the building, do you elect to reduce eligible basis by disproportionate costs of non-low income units under section 42(d)(3)(B)?		
		<input type="checkbox"/> Yes <input type="checkbox"/> No
10 Check the appropriate box for each election:		
Caution: Once made, the following elections are irrevocable.		
a Elect to begin credit period the first year after the building is placed in service (section 42(f)(1))	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
b Elect not to treat large partnership as taxpayer (section 42(j)(5))	<input type="checkbox"/> Yes	
c Elect minimum set-aside requirement (section 42(g)) (see instructions) <input type="checkbox"/> 20-50 <input checked="" type="checkbox"/> 40-60	<input type="checkbox"/> 25-60 (N.Y.C. only)	
d Elect deep rent skewed project (section 142(d)(4)(B)) (see instructions)	<input type="checkbox"/> 15-40	

Under penalties of perjury, I declare that I have examined this form and accompanying attachments, and to the best of my knowledge and belief, they are true, correct, and complete.

Signature	45-3133205 Taxpayer identification number	Date
Country Village Apartments LLC Name (please type or print)	2013 First year of the credit period	

Low-Income Housing Credit Allocation and Certification

OMB No. 1545-0988

▶ Information about Form 8609 and its separate instructions is at www.irs.gov/form8609.

Part I Allocation of Credit

Check if: Addition to Qualified Basis Amended Form

A Address of building (do not use P.O. box) (see instructions) 367-381 Colonial Avenue Waterbury, CT 06704	B Name and address of housing credit agency Connecticut Housing Finance Authority 999 West Street Rocky Hill, CT 06067
C Name, address, and TIN of building owner receiving allocation Country Village, LLC 1241 Main Street Bridgeport, CT 06604 TIN ▶ 45-3133205	D Employer identification number of agency <div style="text-align: right;">06-1267528</div> E Building identification number (BIN) <div style="text-align: right;">CT-11-02629</div>

1a Date of allocation ▶ N/A		b Maximum housing credit dollar amount allowable	1b	9,305
2 Maximum applicable credit percentage allowable (see instructions)			2	3.18 %
3a Maximum qualified basis			3a	292,610
b If the eligible basis used in the computation of line 3a was increased, check the applicable box and enter the percentage to which the eligible basis was increased (see instructions)			3b	1 0 0 %
<input type="checkbox"/> Building located in the Gulf Opportunity (GO) Zone, Rita GO Zone, or Wilma GO Zone				
<input type="checkbox"/> Section 42(d)(5)(B) high cost area provisions				
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-)			4	63.99 %
5 Date building placed in service				05/08/2013
6 Check the boxes that describe the allocation for the building (check those that apply):				
a <input type="checkbox"/> Newly constructed and federally subsidized	b <input type="checkbox"/> Newly constructed and not federally subsidized	c <input checked="" type="checkbox"/> Existing building		
d <input type="checkbox"/> Sec. 42(e) rehabilitation expenditures federally subsidized	e <input type="checkbox"/> Sec. 42(e) rehabilitation expenditures not federally subsidized			
f <input type="checkbox"/> Not federally subsidized by reason of 40-50 rule under sec. 42(i)(2)(E)	g <input type="checkbox"/> Allocation subject to nonprofit set-aside under sec. 42(h)(5)			

Signature of Authorized Housing Credit Agency Official—Completed by Housing Credit Agency Only

Under penalties of perjury, I declare that the allocation made is in compliance with the requirements of section 42 of the Internal Revenue Code, and that I have examined this form and to the best of my knowledge and belief, the information is true, correct, and complete.

Signature of authorized official
 ▶
 Dara Kovel - VP, Housing Development
 ▶
 2/27/15
 Date

Part II First-Year Certification—Completed by Building Owners with respect to the First Year of the Credit Period

7 Eligible basis of building (see instructions)			7	292,608
8a Original qualified basis of the building at close of first year of credit period			8a	292,608
b Are you treating this building as part of a multiple building project for purposes of section 42 (see instructions)?			<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
9a If box 6a or box 6d is checked, do you elect to reduce eligible basis under section 42(i)(2)(B)?			<input type="checkbox"/> Yes	<input type="checkbox"/> No
b For market-rate units above the average quality standards of low-income units in the building, do you elect to reduce eligible basis by disproportionate costs of non-low income units under section 42(d)(3)(B)?			<input type="checkbox"/> Yes	<input type="checkbox"/> No
10 Check the appropriate box for each election: Caution: Once made, the following elections are irrevocable.				
a Elect to begin credit period the first year after the building is placed in service (section 42(f)(1))			<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
b Elect not to treat large partnership as taxpayer (section 42(j)(5))		X	<input type="checkbox"/> Yes	
c Elect minimum set-aside requirement (section 42(g)) (see instructions)	<input type="checkbox"/> 20-50	<input type="checkbox"/> 40-60	<input type="checkbox"/> 25-60 (N.Y.C. only)	
d Elect deep rent skewed project (section 142(d)(4)(B)) (see instructions)			<input type="checkbox"/> 15-40	

Under penalties of perjury, I declare that I have examined this form and accompanying attachments, and to the best of my knowledge and belief, they are true, correct, and complete.

Signature
 ▶
 45-3133205
 ▶
 Date

Country Village Apartments LLC
 ▶
 2013
 ▶
 First year of the credit period

Low-Income Housing Credit Allocation and Certification

OMB No. 1545-0988

▶ Information about Form 8609 and its separate instructions is at www.irs.gov/form8609.

Part I Allocation of Credit

Check if: Addition to Qualified Basis Amended Form

A Address of building (do not use P.O. box) (see instructions) 367-381 Colonial Avenue Waterbury, CT 06704	B Name and address of housing credit agency Connecticut Housing Finance Authority 999 West Street Rocky Hill, CT 06067
C Name, address, and TIN of building owner receiving allocation Country Village, LLC 1241 Main Street Bridgeport, CT 06604 TIN ▶ 45-3133205	D Employer identification number of agency <div style="text-align: right;">06-1267528</div> E Building identification number (BIN) <div style="text-align: right;">CT-11-02629</div>

1a Date of allocation ▶ N/A	1b	21,252
2 Maximum applicable credit percentage allowable (see instructions)	2	3.27 %
3a Maximum qualified basis	3a	649,908
b If the eligible basis used in the computation of line 3a was increased, check the applicable box and enter the percentage to which the eligible basis was increased (see instructions)	3b	1 3 0 %
<input type="checkbox"/> Building located in the Gulf Opportunity (GO) Zone, Rita GO Zone, or Wilma GO Zone <input checked="" type="checkbox"/> Section 42(d)(5)(B) high cost area provisions	4	63.99 %
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-)		
5 Date building placed in service ▶ 10/01/2013		
6 Check the boxes that describe the allocation for the building (check those that apply): a <input type="checkbox"/> Newly constructed and federally subsidized b <input type="checkbox"/> Newly constructed and not federally subsidized c <input type="checkbox"/> Existing building d <input checked="" type="checkbox"/> Sec. 42(e) rehabilitation expenditures federally subsidized e <input type="checkbox"/> Sec. 42(e) rehabilitation expenditures not federally subsidized f <input type="checkbox"/> Not federally subsidized by reason of 40-50 rule under sec. 42(i)(2)(E) g <input type="checkbox"/> Allocation subject to nonprofit set-aside under sec. 42(h)(5)		

Signature of Authorized Housing Credit Agency Official – Completed by Housing Credit Agency Only

Under penalties of perjury, I declare that the allocation made is in compliance with the requirements of section 42 of the Internal Revenue Code, and that I have examined this form and to the best of my knowledge and belief, the information is true, correct, and complete.

Dara Kovel - VP, Housing Development
2/27/15
Signature of authorized official
Name (please type or print)
Date

Part II First-Year Certification – Completed by Building Owners with respect to the First Year of the Credit Period

7 Eligible basis of building (see instructions)	7	649,908
8a Original qualified basis of the building at close of first year of credit period	8a	649,908
b Are you treating this building as part of a multiple building project for purposes of section 42 (see instructions)?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
9a If box 6a or box 6d is checked, do you elect to reduce eligible basis under section 42(i)(2)(B)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
b For market-rate units above the average quality standards of low-income units in the building, do you elect to reduce eligible basis by disproportionate costs of non-low income units under section 42(d)(3)(B)?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
10 Check the appropriate box for each election: Caution: Once made, the following elections are irrevocable.		
a Elect to begin credit period the first year after the building is placed in service (section 42(f)(1)) ▶	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
b Elect not to treat large partnership as taxpayer (section 42(j)(5)) ▶	<input type="checkbox"/> Yes	
c Elect minimum set-aside requirement (section 42(g)) (see instructions) <input type="checkbox"/> 20-50 <input checked="" type="checkbox"/> 40-60	<input type="checkbox"/> 25-60 (N.Y.C. only)	
d Elect deep rent skewed project (section 142(d)(4)(B)) (see instructions)	<input type="checkbox"/> 15-40	

Under penalties of perjury, I declare that I have examined this form and accompanying attachments, and to the best of my knowledge and belief, they are true, correct, and complete.

45-3133205
Date
Signature
Taxpayer identification number

Country Village Apartments LLC
2013
Name (please type or print)
First year of the credit period

Low-Income Housing Credit Allocation and Certification

OMB No. 1545-0988

▶ Information about Form 8609 and its separate instructions is at www.irs.gov/form8609.

Part I Allocation of Credit

Check if: Addition to Qualified Basis Amended Form

A Address of building (do not use P.O. box) (see instructions) 371-285 Dorchester Drive Waterbury, CT 06704	B Name and address of housing credit agency Connecticut Housing Finance Authority 999 West Street Rocky Hill, CT 06067
C Name, address, and TIN of building owner receiving allocation Country Village, LLC 1241 Main Street Bridgeport, CT 06604 TIN ▶ 45-3133205	D Employer identification number of agency <div style="text-align: right;">06-1267528</div> E Building identification number (BIN) <div style="text-align: right;">CT-11-02630</div>

1a Date of allocation ▶ N/A	b Maximum housing credit dollar amount allowable	1b	10,987
2 Maximum applicable credit percentage allowable (see instructions)		2	3.18 %
3a Maximum qualified basis		3a	345,503
b If the eligible basis used in the computation of line 3a was increased, check the applicable box and enter the percentage to which the eligible basis was increased (see instructions)			
<input type="checkbox"/> Building located in the Gulf Opportunity (GO) Zone, Rita GO Zone, or Wilma GO Zone		3b	1 0 0 %
<input type="checkbox"/> Section 42(d)(5)(B) high cost area provisions			
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-)		4	63.99 %
5 Date building placed in service ▶	05/18/2013		
6 Check the boxes that describe the allocation for the building (check those that apply):			
a <input type="checkbox"/> Newly constructed and federally subsidized	b <input type="checkbox"/> Newly constructed and not federally subsidized	c <input checked="" type="checkbox"/> Existing building	
d <input type="checkbox"/> Sec. 42(e) rehabilitation expenditures federally subsidized	e <input type="checkbox"/> Sec. 42(e) rehabilitation expenditures not federally subsidized		
f <input type="checkbox"/> Not federally subsidized by reason of 40-50 rule under sec. 42(i)(2)(E)	g <input type="checkbox"/> Allocation subject to nonprofit set-aside under sec. 42(h)(5)		

Signature of Authorized Housing Credit Agency Official—Completed by Housing Credit Agency Only

Under penalties of perjury, I declare that the allocation made is in compliance with the requirements of section 42 of the Internal Revenue Code, and that I have examined this form and to the best of my knowledge and belief, the information is true, correct, and complete.

Dara Kovel - VP, Housing Development
2/27/15
Signature of authorized official
Name (please type or print)
Date

Part II First-Year Certification—Completed by Building Owners with respect to the First Year of the Credit Period

7 Eligible basis of building (see instructions)	7	345,501
8a Original qualified basis of the building at close of first year of credit period	8a	345,501
b Are you treating this building as part of a multiple building project for purposes of section 42 (see instructions)?		
	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
9a If box 6a or box 6d is checked, do you elect to reduce eligible basis under section 42(i)(2)(B)?		
	<input type="checkbox"/> Yes	<input type="checkbox"/> No
b For market-rate units above the average quality standards of low-income units in the building, do you elect to reduce eligible basis by disproportionate costs of non-low income units under section 42(d)(3)(B)?		
	<input type="checkbox"/> Yes	<input type="checkbox"/> No
10 Check the appropriate box for each election:		
Caution: Once made, the following elections are irrevocable.		
a Elect to begin credit period the first year after the building is placed in service (section 42(f)(1)) ▶	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
b Elect not to treat large partnership as taxpayer (section 42(j)(5)) ▶	<input type="checkbox"/> Yes	
c Elect minimum set-aside requirement (section 42(g)) (see instructions) <input type="checkbox"/> 20-50 <input checked="" type="checkbox"/> 40-60	<input type="checkbox"/> 25-60 (N.Y.C. only)	
d Elect deep rent skewed project (section 142(d)(4)(B)) (see instructions)	<input type="checkbox"/> 15-40	

Under penalties of perjury, I declare that I have examined this form and accompanying attachments, and to the best of my knowledge and belief, they are true, correct, and complete.

45-3133205
2014
Signature
Taxpayer identification number
Date
Country Village Apartments LLC
2014
Name (please type or print)
First year of the credit period

Low-Income Housing Credit Allocation and Certification

▶ Information about Form 8609 and its separate instructions is at www.irs.gov/form8609.

Part I Allocation of Credit

Check if: Addition to Qualified Basis Amended Form

A Address of building (do not use P.O. box) (see instructions) 371-285 Dorchester Drive Waterbury, CT 06704	B Name and address of housing credit agency Connecticut Housing Finance Authority 999 West Street Rocky Hill, CT 06067
C Name, address, and TIN of building owner receiving allocation Country Village, LLC 1241 Main Street Bridgeport, CT 06604 TIN ▶ 45-3133205	D Employer identification number of agency 06-1267528 E Building identification number (BIN) CT-11-02630

1a Date of allocation ▶ N/A	b Maximum housing credit dollar amount allowable	1b	25,094
2 Maximum applicable credit percentage allowable (see instructions)		2	3.27 %
3a Maximum qualified basis		3a	767,401
b If the eligible basis used in the computation of line 3a was increased, check the applicable box and enter the percentage to which the eligible basis was increased (see instructions)		3b	1 3 0 %
<input type="checkbox"/> Building located in the Gulf Opportunity (GO) Zone, Rita GO Zone, or Wilma GO Zone <input checked="" type="checkbox"/> Section 42(d)(5)(B) high cost area provisions			
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-)		4	63.99 %
5 Date building placed in service ▶ 02/01/2014			
6 Check the boxes that describe the allocation for the building (check those that apply):			
a <input type="checkbox"/> Newly constructed and federally subsidized		b <input type="checkbox"/> Newly constructed and not federally subsidized	
c <input type="checkbox"/> Existing building		d <input checked="" type="checkbox"/> Sec. 42(e) rehabilitation expenditures federally subsidized	
e <input type="checkbox"/> Sec. 42(e) rehabilitation expenditures not federally subsidized		f <input type="checkbox"/> Not federally subsidized by reason of 40-50 rule under sec. 42(i)(2)(E)	
g <input type="checkbox"/> Allocation subject to nonprofit set-aside under sec. 42(h)(5)			

Signature of Authorized Housing Credit Agency Official—Completed by Housing Credit Agency Only

Under penalties of perjury, I declare that the allocation made is in compliance with the requirements of section 42 of the Internal Revenue Code, and that I have examined this form and to the best of my knowledge and belief, the information is true, correct, and complete.

Signature of authorized official

 Dara Kovel - VP, Housing Development
 Name (please type or print)

 2/27/15
 Date

Part II First-Year Certification—Completed by Building Owners with respect to the First Year of the Credit Period

7 Eligible basis of building (see instructions)	7	767,389
8a Original qualified basis of the building at close of first year of credit period	8a	767,389
b Are you treating this building as part of a multiple building project for purposes of section 42 (see instructions)?		
		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
9a If box 6a or box 6d is checked, do you elect to reduce eligible basis under section 42(i)(2)(B)?		
		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
b For market-rate units above the average quality standards of low-income units in the building, do you elect to reduce eligible basis by disproportionate costs of non-low income units under section 42(d)(3)(B)?		
		<input type="checkbox"/> Yes <input type="checkbox"/> No
10 Check the appropriate box for each election:		
Caution: Once made, the following elections are irrevocable.		
a Elect to begin credit period the first year after the building is placed in service (section 42(f)(1))		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
b Elect not to treat large partnership as taxpayer (section 42(j)(5))		<input type="checkbox"/> Yes
c Elect minimum set-aside requirement (section 42(g)) (see instructions) <input type="checkbox"/> 20-50 <input checked="" type="checkbox"/> 40-60		<input type="checkbox"/> 25-60 (N.Y.C. only)
d Elect deep rent skewed project (section 142(d)(4)(B)) (see instructions)		<input type="checkbox"/> 15-40

Under penalties of perjury, I declare that I have examined this form and accompanying attachments, and to the best of my knowledge and belief, they are true, correct, and complete.

Signature

 45-3133205
 Taxpayer identification number

 2014
 First year of the credit period

 Date

Country Village Apartments LLC
 Name (please type or print)

Low-Income Housing Credit Allocation and Certification

OMB No. 1545-0088

▶ Information about Form 8609 and its separate instructions is at www.irs.gov/form8609.

Part I Allocation of Credit

Check if: Addition to Qualified Basis Amended Form

A Address of building (do not use P.O. box) (see instructions) 289-303 Dorchester Drive Waterbury, CT 06704	B Name and address of housing credit agency Connecticut Housing Finance Authority 999 West Street Rocky Hill, CT 06067
C Name, address, and TIN of building owner receiving allocation Country Village, LLC 1241 Main Street Bridgeport, CT 06604 TIN ▶ 45-3133205	D Employer identification number of agency <div style="text-align: right;">06-1267528</div> E Building identification number (BIN) <div style="text-align: right;">CT-11-02631</div>

1a Date of allocation ▶ N/A	b Maximum housing credit dollar amount allowable	1b	10,987
2 Maximum applicable credit percentage allowable (see instructions)		2	3.18 %
3a Maximum qualified basis		3a	345,503
b If the eligible basis used in the computation of line 3a was increased, check the applicable box and enter the percentage to which the eligible basis was increased (see instructions)		3b	1 0 0 %
<input type="checkbox"/> Building located in the Gulf Opportunity (GO) Zone, Rita GO Zone, or Wilma GO Zone <input type="checkbox"/> Section 42(d)(5)(B) high cost area provisions			
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-.)		4	63.99 %
5 Date building placed in service ▶ 05/08/2013			
6 Check the boxes that describe the allocation for the building (check those that apply):			
a <input type="checkbox"/> Newly constructed and federally subsidized		b <input type="checkbox"/> Newly constructed and not federally subsidized	
c <input checked="" type="checkbox"/> Existing building			
d <input type="checkbox"/> Sec. 42(e) rehabilitation expenditures federally subsidized		e <input type="checkbox"/> Sec. 42(e) rehabilitation expenditures not federally subsidized	
f <input type="checkbox"/> Not federally subsidized by reason of 40-50 rule under sec. 42(f)(2)(E)		g <input type="checkbox"/> Allocation subject to nonprofit set-aside under sec. 42(h)(5)	

Signature of Authorized Housing Credit Agency Official—Completed by Housing Credit Agency Only

Under penalties of perjury, I declare that the allocation made is in compliance with the requirements of section 42 of the Internal Revenue Code, and that I have examined this form and to the best of my knowledge and belief, the information is true, correct, and complete.

Signature of authorized official	Dara Kovel - VP, Housing Development Name (please type or print)	2/27/15 Date
----------------------------------	---	-----------------

Part II First-Year Certification—Completed by Building Owners with respect to the First Year of the Credit Period

7 Eligible basis of building (see instructions)	7	345,501
8a Original qualified basis of the building at close of first year of credit period	8a	345,501
b Are you treating this building as part of a multiple building project for purposes of section 42 (see instructions)?		
		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
9a If box 6a or box 6d is checked, do you elect to reduce eligible basis under section 42(f)(2)(B)?		
		<input type="checkbox"/> Yes <input type="checkbox"/> No
b For market-rate units above the average quality standards of low-income units in the building, do you elect to reduce eligible basis by disproportionate costs of non-low income units under section 42(d)(3)(B)?		
		<input type="checkbox"/> Yes <input type="checkbox"/> No
10 Check the appropriate box for each election:		
Caution: Once made, the following elections are irrevocable.		
a Elect to begin credit period the first year after the building is placed in service (section 42(f)(1))	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
b Elect not to treat large partnership as taxpayer (section 42(j)(5))	<input type="checkbox"/> Yes	
c Elect minimum set-aside requirement (section 42(g)) (see instructions) <input type="checkbox"/> 20-50 <input checked="" type="checkbox"/> 40-60	<input type="checkbox"/> 25-60 (N.Y.C. only)	
d Elect deep rent skewed project (section 142(d)(4)(B)) (see instructions)	<input type="checkbox"/> 15-40	

Under penalties of perjury, I declare that I have examined this form and accompanying attachments, and to the best of my knowledge and belief, they are true, correct, and complete.

Signature	45-3133205 Taxpayer identification number	Date
Country Village Apartments LLC Name (please type or print)	2013 First year of the credit period	

Low-Income Housing Credit Allocation and Certification

OMB No. 1545-0988

▶ Information about Form 8609 and its separate instructions is at www.irs.gov/form8609.

Part I Allocation of Credit

Check if: Addition to Qualified Basis Amended Form

A Address of building (do not use P.O. box) (see instructions) 289-303 Dorchester Drive Waterbury, CT 06704	B Name and address of housing credit agency Connecticut Housing Finance Authority 999 West Street Rocky Hill, CT 06067
C Name, address, and TIN of building owner receiving allocation Country Village, LLC 1241 Main Street Bridgeport, CT 06604 TIN ▶ 45-3133205	D Employer identification number of agency <div style="text-align: right;">06-1267528</div> E Building identification number (BIN) <div style="text-align: right;">CT-11-02631</div>

1a Date of allocation ▶ N/A	b Maximum housing credit dollar amount allowable	1b	25,094
2 Maximum applicable credit percentage allowable (see instructions)		2	3.27 %
3a Maximum qualified basis		3a	767,401
b If the eligible basis used in the computation of line 3a was increased, check the applicable box and enter the percentage to which the eligible basis was increased (see instructions)		3b	1 3 0 %
<input type="checkbox"/> Building located in the Gulf Opportunity (GO) Zone, Rita GO Zone, or Wilma GO Zone <input checked="" type="checkbox"/> Section 42(d)(5)(B) high cost area provisions			
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-.)		4	63.99 %
5 Date building placed in service ▶ 10/01/2013			
6 Check the boxes that describe the allocation for the building (check those that apply):			
a <input type="checkbox"/> Newly constructed and federally subsidized		b <input type="checkbox"/> Newly constructed and not federally subsidized	
c <input type="checkbox"/> Existing building		d <input checked="" type="checkbox"/> Sec. 42(e) rehabilitation expenditures federally subsidized	
e <input type="checkbox"/> Sec. 42(e) rehabilitation expenditures not federally subsidized		f <input type="checkbox"/> Not federally subsidized by reason of 40-50 rule under sec. 42(l)(2)(E)	
g <input type="checkbox"/> Allocation subject to nonprofit set-aside under sec. 42(h)(5)			

Signature of Authorized Housing Credit Agency Official—Completed by Housing Credit Agency Only

Under penalties of perjury, I declare that the allocation made is in compliance with the requirements of section 42 of the Internal Revenue Code, and that I have examined this form and to the best of my knowledge and belief, the information is true, correct, and complete.

Signature of authorized official	Dara Kovel - VP, Housing Development Name (please type or print)	2/27/15 Date
----------------------------------	---	-----------------

Part II First-Year Certification—Completed by Building Owners with respect to the First Year of the Credit Period

7 Eligible basis of building (see instructions)	7	767,389
8a Original qualified basis of the building at close of first year of credit period	8a	767,389
b Are you treating this building as part of a multiple building project for purposes of section 42 (see instructions)?		
		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
9a If box 6a or box 6d is checked, do you elect to reduce eligible basis under section 42(l)(2)(B)?		
		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
b For market-rate units above the average quality standards of low-income units in the building, do you elect to reduce eligible basis by disproportionate costs of non-low income units under section 42(d)(3)(B)?		
		<input type="checkbox"/> Yes <input type="checkbox"/> No
10 Check the appropriate box for each election:		
Caution: Once made, the following elections are irrevocable.		
a Elect to begin credit period the first year after the building is placed in service (section 42(f)(1)) ▶		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
b Elect not to treat large partnership as taxpayer (section 42(j)(5)) ▶		<input type="checkbox"/> Yes
c Elect minimum set-aside requirement (section 42(g)) (see instructions) <input type="checkbox"/> 20-50 <input checked="" type="checkbox"/> 40-60		<input type="checkbox"/> 25-60 (N.Y.C. only)
d Elect deep rent skewed project (section 142(d)(4)(B)) (see instructions)		<input type="checkbox"/> 15-40

Under penalties of perjury, I declare that I have examined this form and accompanying attachments, and to the best of my knowledge and belief, they are true, correct, and complete.

Signature	45-3133205 Taxpayer identification number	Date
Country Village Apartments LLC Name (please type or print)	2013 First year of the credit period	

COUNTRY VILLAGE APARTMENTS LLC

(a Connecticut limited liability company)

* * *

AMENDED AND RESTATED OPERATING AGREEMENT

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Exhibits 1. Schedule of Members

* * *

AMENDED AND RESTATED OPERATING AGREEMENT

THIS AMENDED AND RESTATED OPERATING AGREEMENT (the “Agreement”) is made as of May 1, 2013, by and among **COLONIAL COUNTRY LLC**, a Connecticut limited liability company (the “Managing Member”); **STRATFORD COUNTRY VILLAGE INVESTORS LIMITED PARTNERSHIP**, a Massachusetts limited partnership (the “Investment Member”); and **STRATFORD SLP, INC.**, a Delaware corporation (the “Special Member”).

Recitals:

A. Country Village Apartments LLC (the “Company”) is a Connecticut limited liability company organized pursuant to those certain by Amended and Restated Articles of Organization dated October 17, 2012, which were filed with the Connecticut Secretary of State on October 26, 2012;

B. The affairs of the Company are currently governed by the initial Operating Agreement dated as of October 6, 2011;

C. The purpose of the Company is to acquire, develop, finance, renovate, own, lease and/or operate a two hundred thirty two (232)-unit residential apartment complex (containing 232 Affordable Units) located in 31 residential buildings at 283 Colonial Avenue in Waterbury, Connecticut and known as “Country Village Apartments” (the “Property”); and

D. The parties hereto desire to enter into this Agreement in order to (i) admit the Investment Member and the Special Member to the Company as Members, (ii) designate Colonial Country LLC as the sole Managing Member, (iii) amend and restate the current Operating Agreement, (iv) designate the Company as a “member managed” limited liability company, and (v) otherwise set forth the rights and obligations of the parties hereto with respect to the Company.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound hereby, agree and certify as follows:

I. FORMATION AND CONTINUATION

1.1 Formation. The Company has been formed as a limited liability company under the Act. The Company is hereby designated as a “member managed” limited liability company under the Act. The Managing Member shall take all action required by law to perfect and maintain the Company as a limited liability company under the Act and under the laws of all other jurisdictions in which the Company may elect to conduct business. The Managing

Member shall also promptly register the Company under applicable assumed or fictitious name statutes or similar laws.

1.2 Name. The name of the Company shall be "COUNTRY VILLAGE APARTMENTS LLC", which name may be changed by the Managing Member with the Consent of the Special Member and Notice thereof shall be given to all Members.

1.3 Place of Business. The principal office of the Company shall be located at 1241 Main Street, Bridgeport, Connecticut 06604. The Managing Member may change the location of the Company's principal office or establish additional offices of the Company and Notice thereof shall be given to all Members.

1.4 Registered Office and Agent. The registered agent and office of the Company shall be as set forth in the Certificate.

II. INTERPRETATIVE PROVISIONS

2.1 Defined Terms. The following terms have the definitions hereinafter indicated whenever used in this Agreement with initial capital letters:

Accountants: Rubin Brown, Certified Public Accounts or such other independent certified public accountants for the Company selected by the Managing Member with the Consent (or at the direction) of the Investment Member.

Acquisition and Financing Costs: All costs incurred in connection with the acquisition of the Property and funding of the Mortgage Loans including, without limitation, (i) the purchase price for the Property, (ii) legal fees and expenses, (iii) accounting fees and expenses, (iv) costs of real estate consultants (such as engineers and appraisers), (v) real estate escrows and closing costs, (vi) costs of securing the approvals of government agencies, if required, (vii) travel and communication expenses, (viii) title insurance fees and costs, (ix) transfer and recording fees and taxes, (x) broker commissions and (xi) commitment fees, loan fees and other financing costs.

Act: The Connecticut Limited Liability Company Act, as it may be amended from time to time.

Actual Credits: The "Actual Credits" as defined in the Tax Credit Agreement.

Additional Capital: The Capital Contributions paid or payable, as the case may be, by each Member on or after the date of this Agreement.

Affiliate: With respect to any referenced Person, (i) a Related Person of such Person, (ii) a legal representative, successor or assignee of the referenced Person in clause (i) above (other than a bona fide purchaser for value who would not be an Affiliate but for having been such a successor or assignee), (iii) a Person who directly, or indirectly through intermediaries, controls, is controlled by or is under control with the referenced Person or a Person referenced in any one or more of clauses (i) and (ii) above, where "control(s)(led)" means ten percent (10%) or more ownership of voting power or beneficial interest, or (iv) an officer, director, trustee,

employee, holder of ten percent (10%) or more of the voting stock, or partner of the referenced Person or a Person referenced in any one or more of clauses (i) through (iii) above.

Affordable Units: The two hundred thirty two (232)-residential units at the Property which have been set aside for occupancy by bona fide Tax Credit qualified residents under Code Section 42.

Agreement: This Amended and Restated Operating Agreement, as it may be amended from time to time.

Allocations: The income, gains, profits, losses, deductions and credits allocable to Members for book and tax accounting purposes pursuant to Article V.

Annual Budget: The annual operating and capital budget for the Property adopted pursuant to Section 6.9(B).

Appeal Conclusion: The "Appeal Conclusion" as defined in the Tax Credit Agreement.

Architect: Business Development and Telecommunications International d/b/a Amaya Architects, Inc., of Orange, Connecticut.

Asset Management Agreement: The Asset Management Agreement, dated as of May 1, 2013, between the Company and Stratford Asset Management Co., LLC, as amended from time to time.

Asset Management Fee: The "Asset Management Fee" payable by the Company to Stratford Asset Management Co., LLC pursuant to the Asset Management Agreement.

Assumed CHFA Loan: The non-recourse construction and permanent mortgage loan secured by the Property in the amount of \$2,713,133 at Initial Closing, initially provided to Fairmont Heights Associates Limited Partnership by CHFA and assumed by the Company at Initial Closing (and all related loan agreements, notes, mortgages and other documents), as modified from time to time. The Assumed CHFA Loan will not bear interest and will mature in thirty years. No payments will be required on the Assumed CHFA Loan until maturity.

Assumed HUD Loan: The non-recourse construction and permanent mortgage loan in the amount of \$3,139,213 assumed by the Company and secured by the Property, payable to the United State Department of Housing and Urban Development (and all related loan agreements, notes, mortgages and other documents), as modified from time to time. The Assumed HUD Loan accrues interest at 1% per annum, is payable from 75% of "Surplus Cash" (as such term is defined in the Assumed HUD Loan Documents) and matures on December 1, 2033.

Assumed HUD Loan Documents: means the documents evidencing and/or securing the Assumed HUD Loan.

Bankruptcy: Either (i) the initiation of any proceeding against a referenced Person, which has not been vacated, discharged or bonded within 90 days of initiation, under a federal, state or local bankruptcy or insolvency law, (ii) the initiation by a referenced Person of a

proceeding under a federal, state or local bankruptcy or insolvency law, (iii) a general assignment by a referenced Person for the benefit of creditors, (iv) the admission by a referenced Person in writing of his inability to pay his debts as they become due or (v) the acquiescence of a referenced Person to appointment of a receiver or trustee for all or a substantial part of his property, or court appointment of such receiver or trustee which is not suspended or terminated within 90 days after such court appointment.

Basis Certification: Means (a) the receipt by the Investment Member of the written certification of the Accountants, in a form and in substance satisfactory to the Special Member: (1) as to the itemized amounts of the construction/rehabilitation and development costs of the Property and the "eligible basis" and "applicable percentage" (as defined in the Code) pertaining to the building in the Property demonstrating that the Property has sufficient Eligible Basis to generate the Projected Credits, and (2) that 50% or more of the aggregate basis of the building in the Property and the land on which the building is located, is financed by an obligation, the interest on which is exempt from tax under Section 103 of the Code and which is within the State's volume cap as provided in Section 146 of the Code, and (b) the written acceptance of such certification by the Special Member after review thereof by a certified public accounting firm engaged by the Special Member for such purpose.

Bona Fide Offer: A written offer from a Person who is not a Member or an Affiliate of a Member to acquire the Interest of a Member which sets forth in reasonable detail the price, deposit, payment terms, feasibility period, time for closing and other material terms of acquisition.

Bonds: Means the \$79,854,000 Housing Mortgage Finance Program Bonds 2012 Series G issued by the Issuer on or about December 18, 2012. The Bonds have been issued under the volume limitations pursuant to Section 146 of the Code.

Bond Documents: All documents executed in connection with (or governing the terms of) the Bonds.

Breakeven Date: The first day following a period of any 3 consecutive calendar months commencing on or after the Final Closing during each of which, as determined by the Accountants, certified by the Managing Member and Consented to by the Special Member (which such Consent shall not be unreasonably withheld), the Property has produced revenues from normal operations (rather than from Capital Contributions, proceeds of the Mortgage Loans, or other loans or reserves funded from those sources) determined on a cash basis at least equal to (i) all Operating Costs of the Property determined on an accrual basis (not including debt service payments described in clause (iii) below) plus (ii) on an annualized basis, all projected Operating Costs not already included in (i) above, including those of a seasonal nature, which might reasonably be expected to be incurred on an unequal basis during a full annual period of operation, plus (iii) debt service on the First Mortgage Loan (assuming debt service payments on a fully amortizing basis), and on which day the Company does not have trade payables or unpaid liabilities (excluding (x) real estate taxes and (y) trade payables which have been outstanding for thirty days or less and do not exceed, in the aggregate, \$125,000) other than the Mortgage Loans and the Development Fee.

Capital Account: The account maintained by the Company for each Member in accordance with the Code which, as of any given date, reflects its actual Capital Contributions paid to the Company (which for this purpose shall include "deemed" contributions of property to the Company under Code Section 752), increased by its allocable share of Company taxable income (including tax-exempt income), gain or profit (or items thereof) for each Fiscal Year (or fraction thereof), and decreased by (i) the amount of money distributed to it by the Company, (ii) the fair market value of property (net of liabilities that secure such property that it assumes or takes subject to under Code Section 752) distributed to it, (iii) its allocable share of Company losses and deductions (or items thereof) for each Fiscal Year (or fraction thereof) and (iv) its allocable share of expenditures described in Code Section 705(a)(2)(B); and otherwise as may be adjusted to comply with the capital account requirements of the Code.

Capital Contribution: The total amount of money or fair market value of other property (net of liabilities that secure such property that are assumed or taken subject to under Code Section 752) contributed or agreed to be contributed, as the context requires, by each Member to the Company pursuant to the terms of this Agreement, including the Capital Contribution made by a predecessor holder(s) of the Interest of such Member, unless the context requires otherwise. Unless expressly provided otherwise in this Agreement, the term "Capital Contribution" shall not include advances, loans or guarantee payments to the Company, whether from a Member or otherwise, including, without limitation, Operating Deficit Loans, Construction Completion Payments, Tax Credit Payments or Subordinated Loans. The Capital Contributions of the Members shall be set forth from time to time on the Schedule of Members.

Capital Costs: All capital expenditures and any other similar amounts incurred by the Company which are not properly characterized as Operating Costs or Other Fees and Costs, including, without limitation, costs incurred in connection with Capital Transactions, other than costs payable only from Capital Contributions.

Capital Proceeds: The aggregate of gross proceeds from (i) Capital Transactions, (ii) title or fire and extended coverage insurance, and (iii) any reserves previously set aside from Capital Proceeds, Capital Contributions, security deposits and similar items which are deemed available for distribution by the Managing Member with the Consent of the Investment Member.

Capital Transaction: A (i) borrowing (other than the initial Mortgage Loans) by the Company, (ii) refinancing, prepayment or modification of the Mortgage Loans, or other debt by the Company, or (iii) sale, lease, condemnation, exchange or other disposition with respect to the Property or all or substantially all other Company assets.

Cash Flow: With respect to any calendar month or Fiscal Year (or, where appropriate, any portion thereof), as the case may be, the sum of (i) all cash receipts of the Company, other than Capital Contributions, Capital Proceeds, security deposits and similar items, (ii) the net proceeds of any insurance, other than title or fire and extended coverage insurance, and (iii) any reserves previously set aside from Cash Flow which are deemed available for distribution by the Managing Member with the Consent of the Investment Member.

Certificate: The Amended and Restated Articles of Organization of the Company dated as of October 17, 2012, and filed with the Connecticut Secretary of State on October 26, 2012, as amended from time to time.

CHFA: Means the Connecticut Housing Finance Authority, and its successors.

Closing Conditions: The "Closing Conditions" as defined in the Investment Agreement.

Closing Documents: The "Closing Documents" as defined in the Investment Agreement.

Code: The Internal Revenue Code of 1986, as amended from time to time, and all published announcements, notices, rules, rulings and regulations thereunder.

Collateral Agreements: The Investment Agreement, Asset Management Agreement, Development Agreement, Company Management Agreement, Operating Deficit Agreement, Property Management Agreement, Tax Credit Agreement, Completion Agreement and the Continuing Guarantee.

Company: The Connecticut limited liability company referred to herein as "Country Village Apartments LLC", as such Company may from time to time be constituted.

Company Management Agreement: The Company Management Agreement dated as of the date hereof, between the Company and the Managing Member, as amended from time to time.

Company Management Fee: The "Company Management Fee" payable to the Managing Member pursuant to the Company Management Agreement.

Company Return: The "Company Return" as defined in the Tax Credit Agreement.

Comparable Offer: With respect to any Bona Fide Offer or Voluntary Offer, as the case may be, another offer to acquire the Interest of a Member which does not differ from such Bona Fide Offer or Voluntary Offer (i) by more than 2% on price or (ii) in any material way with respect to any other material terms of acquisition.

Completion Agreement: The Completion and Repurchase Guarantee Agreement, dated as of May 1, 2013, among the Company, the Developer, the Investment Member, the Managing Member and certain other parties, as amended from time to time.

Completion Date: The date on which (i) rehabilitation of the Property is substantially completed in accordance with the Development Plan as confirmed by (and to the satisfaction of) the Investment Member, and such completion is certified by the Architect and Managing Member and confirmed by the Mortgage Lenders (if necessary), (ii) final unconditional certificates of occupancy, if required, are issued by the appropriate government agency for all two hundred thirty-two (232) residential units in the Property and the Property has been placed in service for purposes of Code Section 42, (iii) the Property is free of mechanics' or other liens (other than those appearing on Schedule B of the Title Policy approved by the Special Member at Initial Closing), except to the extent that such matters have been bonded or insured against to the

satisfaction of the Investment Member (iv) the proceeds of the Mortgage Loans have been disbursed in full to the Company and applied to pay Development Costs (or, if the proceeds of the First Mortgage Loan have not been fully disbursed to pay Development Costs, this clause (iv) shall be satisfied if the Special Member determines that the Project has satisfied the 50% Test without the First Mortgage proceeds being fully disbursed as such time) and, (v) all Development Costs have been paid in full.

Compliance Period: The period (including any extended period agreed upon by the Company) during which the Company must cause the Property to comply with the requirements of Code Section 42 in order to be eligible for (and maintain) Tax Credits.

Consent: Either the prior written consent of a Person or the affirmative vote of such Person at a meeting duly called and held pursuant to this Agreement, as the case may be, to do the act or thing for which the consent or vote is required or solicited, or the act of granting such consent or casting such affirmative vote, as the context may require. Reference to the "Consent" of a Person shall mean the agreement of the Person which may be withheld, delayed or conditioned in the absolute discretion of such Person.

Construction Completion Payments: The "Construction Completion Payments" made pursuant to the Completion Agreement.

Construction Contract: The Construction Contract, dated April 22, 2013, by and between General Contractor and the Company.

Construction Costs: All hard and soft costs incurred in connection with the development and construction/rehabilitation of the Property, other than (i) Acquisition and Financing Costs as contemplated by the Development Plan and the Completion Agreement and (ii) Development Fee.

Construction Period Revenue: Means the portion of the Property's Net Cash Flow that is available during the renovation to pay Development Costs.

Continuing Guarantee: The Continuing Guarantee, dated as of May 1, 2013, among the Guarantors, the Developer, the Company, the Managing Member, the Investment Member and the Special Member.

Contributed or Revalued Property: Property properly reflected on the books of the Company at a value other than the adjusted basis of such property for federal income tax purposes, in accordance with Treasury Regulations Section 1.704-1(b)(2)(iv).

Control: With respect to any Person, the direct or indirect possession of the power to direct or cause the direction of the management and policies of a Person, through the ownership of voting power or beneficial interests therein or by contract or otherwise.

Counsel: Such attorneys for the Company selected by the Managing Member or, if the engagement involves federal income tax matters or a matter, which, in the sole judgment of the Investment Member, may involve a conflict of interest between the Company and the Managing Member, then such attorneys for the Company selected by the Investment Member.

CPI: The Revised Consumer Price Index, Urban Wage Earners and Clerical Workers, All Items (base index year 1982-84) for the Waterbury, Connecticut area, published by the United States Department of Labor, Bureau of Statistics. If the CPI is discontinued or is unavailable, the Managing Member shall substitute a comparable index reflecting changes in the cost of living or purchasing power of the consumer dollar published by any other governmental agency, bank or other financial institution or any recognized authority. If the manner in which such CPI as determined by the Bureau of Labor Statistics shall be substantially revised, an adjustment may be made in such revised index which would produce results equivalent, as nearly as possible, to those which would have been obtained if the CPI had not been so revised. If the 1982-84 average shall no longer be used as the base index year, such change shall constitute a substantial revision. In lieu of using the CPI for any purpose under this Agreement or any Collateral Agreement, the Investment Member may elect to direct the Company to apply a cost-of-living factor of 3% for any Fiscal Year.

Credit Determination Letter: Means a duly authorized, valid and binding determination letter issued to the Company by the State Agency on May 7, 2013, pursuant to Code Section 42(m)(1)(D), providing for an estimated annual tax credit amount of \$1,091,809.

Credit Period: The "Credit Period" as determined under Code Section 42(f).

Designated Rate: An annual interest rate, compounded annually, equal to the greater of (i) 10% or (ii) 5% (i.e. 500 basis points) over the Prime Rate.

Developer: Means CRG Developers, a New York limited liability company.

Development Agreement: The Development Services Agreement, dated as of May 1, 2013, between the Company and the Developer, as amended from time to time.

Development Costs: The sum of (i) Acquisition and Financing Costs and (ii) Construction Costs.

Development Fee: The "Development Fee" payable by the Company to the Developer pursuant to the Development Agreement.

Development Plan: The plan for development of the Property attached as an Exhibit to the Development Agreement.

Eligible Basis: Has the meaning given to it in Section 42(d) of the Code.

Fair Market Value: With respect to the Interest of a Member, the amount such Member would have received on the dissolution and liquidation of the Company assuming (i) the assets of the Company were sold for their then gross fair market value without compulsion on the part of the Company as determined by an independent qualified real estate appraiser selected by the Managing Member with the Consent of the Investment Member, (ii) all actual liabilities of the Company were paid, (iii) the Company thereafter liquidated and dissolved and (iv) the Company incurred Capital Costs with respect to such hypothetical dissolution, liquidation and sale equal to 5% of such gross fair market value.

Fifth Installment: Means the portion of the Investment Member's Capital Contribution paid to the Company pursuant to Section 4.2(A)(5) of this Agreement.

Final Closing: The latest date on which (i) the final amount of the First Mortgage Loan has been determined (not to exceed \$15,500,000 without the Consent of the Special Member), which such amount shall not be determined until the Investor Member has received and approved the Basis Certification, (ii) all proceeds under the Mortgage Loans have been disbursed to the Company, (iii) the Mortgage Loans become or are non-recourse liabilities of the Company and its Members, (iv) the First Mortgage Loan has converted from its construction loan phase to its permanent loan phase pursuant to the documents evidencing and/or securing the First Mortgage Loan, (v) confirmation that the First Mortgage Loan has commenced amortization, (vi) the Mortgage Lenders, if applicable, and the Special Member have Consented to the final cost certification of Development Costs prepared by the Accountants and certified by the Managing Member, and (viii) receipt by the Investment Member of a final cost segregation study completed by an accounting firm acceptable to the Investment Member.

First Mortgage Lender: Means CHFA, and its successors and/or its assigns.

First Mortgage Loan: Means the first priority construction and permanent mortgage loan made by the First Mortgage Lender to the Company on or before Initial Closing, in the original principal amount of up to \$20,000,000, as evidenced by, and on such other terms that are set forth in documents which have received the Consent of the Special Member. Except as and to the extent otherwise Consented to by the Special Member, the First Mortgage Loan shall: (i) be funded exclusively from the Bonds; (ii) be in a principal amount of not more than \$20,000,000 during construction/rehabilitation and no more than \$15,500,000 after Final Closing; and (iii) have terms and conditions no less favorable to the Company than: (a) a 30-year term, (b) a 30-year amortization schedule (with interest-only payments during the construction phase), (c) non-recourse to all the Members after Final Closing; and (d) a fixed interest rate equal to 6.125% prior to Final Closing and a fixed interest rate equal to 5.625% after Final Closing.

First Mortgage Loan Documents: Means the documents evidencing and/or securing the First Mortgage Loan.

Fiscal Year: The calendar year or such other 12-month period designated by the Investment Member.

Foreclosure Proceedings: Either (i) a bona fide petition or complaint against the Company filed by any mortgagees under a mortgage or any trustees under a deed of trust in any court of competent jurisdiction for foreclosure (or deed in lieu thereof) of the Property, (ii) foreclosure of the Property under a power of sale without judicial proceeding, (iii) an agreement by the Company to provide a deed in lieu of foreclosure for the Property or (iv) proceedings by mortgagees under a mortgage or by any trustees under a deed of trust to claim the benefits of any private or governmental mortgage insurance for the Property.

General Contractor: LaRosa Building Group, LLC of Meriden, Connecticut.

Guarantor(s): Means, collectively and jointly and severally, Moshe Eichler, an individual resident of the State of New York, the Managing Member, the Developer and Schmuel Horowitz, an individual resident of the State of New York.

HAP Contract: The Housing Assistance Payments Contract (Contract Number CT26H045024) between Fairmont Heights Associates Limited Partnership (or its predecessor-in-interest) and HUD, as assigned to the Company pursuant to that certain Assignment of Housing Assistance Payments Contract dated as of May 8, 2013, between Fairmont Heights Associates, Limited Partnership, as assignor, and Company, as assignee, and as amended from time to time. The term "HAP Contract" shall include any renewals, extensions or subsequent HAP Contracts entered into between the Company and HUD.

HUD: The United States Department of Housing and Urban Development.

Initial Capital: The Capital Contributions paid by each Member on or before the Initial Closing, as set forth on the Schedule of Members.

Initial Closing: The latest date on which (i) all documents are executed in connection with the Bonds and the Mortgage Loans, (ii) the Property has been acquired by the Company and the Company has assumed the Assumed HUD Loan and the Assumed CHFA Loan, (iii) the execution and delivery by all parties of this Agreement and all of the Collateral Agreements, and (iv) confirmation that all conditions necessary to make the initial disbursement of First Mortgage Loan have occurred.

Interest: The interest of a Member in the Company at any particular time, including the right of such Member to share Allocations, Net Cash Flow, Net Capital Proceeds and all other benefits to which such Member may be entitled as provided in this Agreement and in the Act, together with the obligations of such Member to comply with all the terms and provisions of this Agreement and of the Act, which Interest is expressed as a percentage for voting and certain other purposes in the Schedule of Members.

Invested Capital: With respect to each Member, the sum of (i) its actual paid-in Capital Contributions, plus (ii) with respect to the Investment Member, 10% of its actual paid-in Capital Contributions, plus (iii) with respect to the Investment Member, "interest" on its actual paid-in Capital Contributions at the Designated Rate, reduced by aggregate distributions to each such Member of Net Capital Proceeds, other than distributions on account of Tax Credit Adjustment Amounts or Taxable Income Priority Amounts.

Investment Agreement: The Investment Agreement, dated as of May 1, 2013, among the Developer, the Special Member, the Investment Member, the Managing Member, and certain other parties, as amended from time to time.

IRS: The United States Internal Revenue Service.

Issuer: Means the Connecticut Housing Finance Authority.

Investment Member: Stratford Country Village Investors Limited Partnership, a Massachusetts limited partnership, and any successors to it admitted as Substitute Investment Member.

Managing Member: Colonial Country LLC, a Connecticut limited liability company, and any successor admitted as Successor Managing Member.

Material Default: The occurrence of (i) Foreclosure Proceedings, (ii) termination of any State Agency, Issuer, HUD or Mortgage Lender commitment or agreement or other material commitment or agreement with respect to the Property, the Bonds, The HAP Contract, the Mortgage Loans, the Tax Credits or other matters which is not timely replaced with a comparable one reasonably acceptable to the Investment Member, (iii) written notice of a default by the Company or Managing Member under the Mortgage Loan Documents, the Bond Documents, the HAP Contract, the Restrictive Covenant, or any commitment or agreement with the State Agency, Issuer, HUD or any Mortgage Lender which is not cured within any applicable cure period, or, if no cure period is designated then within a reasonable period in consideration of the materiality of such default, (iv) a violation or termination of any other commitment, contract, agreement, permit, license or governmental requirement with respect to the Company, the Property, the Bonds, the Tax Credits, or other matters which adversely affects the Company, the Members or the Property, (v) Bankruptcy of a Managing Member, the Developer or any Guarantor, (vi) a breach of fiduciary duty by a Managing Member, (vii) failure to initially lease 95% of the Affordable Units to Tax Credit qualified tenants by December 15, 2014, (viii) failure to achieve the Completion Date by December 31, 2014, (ix) failure to achieve Final Closing by April 1, 2015, (x) failure to achieve the Breakeven Date by April 1, 2015, (xi) failure to achieve the Stabilization Date by July 1, 2015, (xii) the occurrence of a Repurchase Event, whether or not the Investment Member exercises its repurchase rights, (xiii) the Managing Member ceases to be Controlled by the Guarantors, or (xiv) a breach or default by the Managing Member, the Developer, a Guarantor or their Affiliates under any representation, warranty, covenant, undertaking, duty or obligation in this Agreement or any Collateral Agreement which is not cured within 30 days after Notice.

Member(s): The Managing Member, the Special Member and/or the Investment Member.

Minimum Gain: With respect to the Company, the amount computed in accordance with Treasury Regulation Section 1.704-2(d), and, with respect to each Member, the amount computed in accordance with Treasury Regulation Section 1.704-2(g).

MM Distributions: has the meaning set forth in Section 5.2 A(10).

Mortgage Lenders: The mortgagees under the Mortgage Loans.

Mortgage Loans: The First Mortgage Loan, the Assumed HUD Loan, the Assumed CHFA Loan, and the Sponsor Loan.

Mortgage Loan Documents: All documents executed in connection with the Mortgage Loans.

Net Capital Proceeds: Capital Proceeds, less expenses and expenditures payable therefrom (rather than from Capital Contributions or Cash Flow), including, without limitation, (i) Operating Costs, (ii) Capital Costs, (iii) Asset Management Fees, and (iv) reserves required under this Agreement or the Mortgage Loans or such other reserves deemed reasonably necessary by the Managing Member with the Consent of the Investment Member.

Net Cash Flow: With respect to any Fiscal Year (or, where appropriate, any portion thereof), Cash Flow, less expenses and expenditures payable therefrom (rather than from Capital Contributions or Capital Proceeds), including, without limitation, (i) Operating Costs, (ii) Capital Costs, (iii) Asset Management Fees, and (iv) reserves required under this Agreement or the Mortgage Loans or such other reserves deemed reasonably necessary by the Managing Member with the Consent of the Investment Member.

Non-Managing Members: The Investment Member and Special Member, together with their successors and assigns.

Nonrecourse Debt: Indebtedness to the extent treated as a nonrecourse liability of the Company in accordance with Treasury Regulation 1.704-2(b)(3).

Notice: A writing containing the information required by this Agreement to be communicated to a Person and personally delivered to such Person or sent by registered or certified mail, postage prepaid, return receipt requested, to such Person at the last known address of such Person as shown on the books of the Company, the date of personal delivery, registry or of the certification receipt, as the case may be, being deemed the date of such Notice; provided, however, that any written communication containing such information actually received by a Person shall constitute Notice for all purposes of this Agreement.

Operating Costs: All costs and expenses of ownership and operation of the Property and administration of the Company, other than Capital Costs, including, without limitation, (i) costs of operation of the Property, (ii) real and personal property taxes, (iii) insurance, (iv) costs of maintenance, repairs and replacements, (v) Property Management Fees, and any other fees for services, but only when due, other than fees payable only from Capital Contributions or Capital Proceeds, (vi) required principal and interest on the First Mortgage Loan, the Assumed HUD Loan and the Assumed CHFA Loan (as applicable) and other Company borrowings, but only when due, other than principal and/or interest payable only from Capital Contributions or Capital Proceeds, (vii) costs of financial statements, tax returns and required reports (including the Investment Member's tax returns), (viii) Asset Management Fees, and (ix) replacement reserves and other necessary or appropriate reserves; but excluding Other Fees and Costs (other than Asset Management Fees) and all depreciation and amortization deductions.

Operating Deficit Agreement: The Operating Deficit Guarantee Agreement, dated as of May 1, 2013, among the Company, the Developer, the Guarantors, the Managing Member and the Investment Member, as amended from time to time.

Operating Deficit Loans: The "Operating Deficit Loans" made pursuant to the Operating Deficit Agreement.

Operating Deficits: The “Operating Deficits” as defined in the Operating Deficit Agreement.

Operating Reserve: The reserve established pursuant to Section 7.4(B).

Organizational Costs: All costs incurred in connection with the organization of, and the admission of the Investment Member to the Company.

Other Fees and Costs: The sum of the following amounts payable to Members or their Affiliates: Asset Management Fees, Company Management Fees, Development Fees, Subordinated Loans and Operating Deficit Loans.

Partner Nonrecourse Debt: Indebtedness to the extent treated as “partner non-recourse debt” in accordance with Treasury Regulation Section 1.704-2(b)(4).

Partner Nonrecourse Deductions: Any item of Company loss, deduction or Code Section 705(a)(2)(B) expenditure that is attributable to a Partner Non-recourse Debt within the meaning of Treasury Regulation Section 1.704-2(b)(4).

Person: Any individual, partnership, corporation, limited liability partnership, limited liability company, trust or other entity.

Prime Rate: The floating “prime rate” as published from time to time by The Wall Street Journal.

Projected Credits: The “Projected Credits” as defined in the Tax Credit Agreement.

Property: The land located on Colonial Avenue in Waterbury, Connecticut, and the two hundred thirty-two (232)-unit rental apartment complex located thereon, to be acquired by the Company at Initial Closing and rehabilitated (and all related improvements, appurtenances, fixtures and personal property made or used in connection therewith).

Property Documents. Means all promissory notes, mortgages, agreements and other instruments executed in connection with any of the Mortgage Loans; the HAP Contract; the Management Agreement; all applications, reservations, carryover allocations, restrictive covenants and extended use agreements and all other agreements and documents related to the Tax Credits; the Construction Contract; the Credit Determination Letter; agreements relating to any assessments to the Property; all documents related to the issuance, sale or delivery of the Bonds; and any other agreement or instrument relating to the Property or under which the Company is bound.

Property Management Agreement: The Management Agreement, dated on or about May 1, 2013, between the Company and the Property Manager.

Property Management Fee: The “Property Management Fee” payable to the Property Manager pursuant to the Property Management Agreement.

Property Manager: Capital Realty Group Inc., a New York corporation, or such other property management entity selected pursuant to Section 6.4.

REAC: the Real Estate Assessment Center of the United States Department of Housing and Urban Development.

Regulatory Agreement: The Regulatory Agreement and Declaration of Restrictive Covenants between the Issuer and the Company in connection with the First Mortgage Loan.

Related Person: With respect to any Person, (i) a spouse, child, parent, grandparent, brother, sister or lineal descendant of such Person, (ii) a trust formed on behalf of such Person or Person referenced in clause (i) above, or (iii) a partnership or other entity having such Person or Persons referenced in clause (i) or (ii) as a partner.

Replacement Reserve: The reserve established pursuant to Section 7.4(A).

Repurchase Event: A "Repurchase Event" as defined in the Completion Agreement.

Repurchase Payments: The "Repurchase Payments" made pursuant to the Completion Agreement.

Reserves: The reserves established pursuant to Section 7.4.

Restrictive Covenant: The Extended Use Agreement between the Company and the State Agency in connection with the Tax Credits.

Schedule of Members: The Schedule of Members attached hereto as Exhibit 1, as amended from time to time.

Securities Act: The Securities Act of 1933, as amended, and all rules, rulings and regulations thereunder.

Special Member: Stratford SLP, Inc., a Delaware corporation.

Sponsor Loan: That certain loan made by the Developer in an amount equal to \$716,352 made pursuant to that note dated as of May 8, 2013.

Stabilization Date: The first day following a period of any 3 consecutive calendar months commencing on or after the Final Closing during each of which, (a) the Property maintains an average economic (i.e. rent paying) occupancy of 95%, and (b) as determined by the Accountants, certified by the Managing Member and Consented to by the Special Member (which such Consent shall not be unreasonable withheld), the Property has produced revenues from normal operations, (rather than from Capital Contributions, proceeds of the Mortgage Loans or reserves funded from those sources) determined on a cash basis at least equal to (i) all Operating Costs of the Property determined on an accrual basis (not including debt service payments under clause (iii) below) plus (ii) on an annualized basis, all projected similar costs not already included in (i) above, including those of a seasonal nature, which might reasonably be expected to be incurred on an unequal basis during a full annual period of operation, plus

(iii) 115% of debt service on the First Mortgage Loan (assuming debt service payments on a fully amortizing basis), and on which day the Company does not have trade payables or unpaid liabilities (excluding (i) real estate taxes and (ii) trade payables which have been outstanding for thirty days or less and do not exceed, in the aggregate, \$125,000) other than Mortgage Loans and the Other Fees and Costs.

State: The State of Connecticut.

State Agency: Means CHFA.

Subordinated Loans: Any loans made to the Company pursuant to Section 6.6(C).

Substitute Member: Any Person who is an assignee or successor of a Member and is admitted to the Company pursuant to Section 9.5.

Successor Managing Member: Any Person who is admitted to the Company as an additional or substitute Managing Member pursuant to Section 8.5.

Tax Credit Adjustment Amount: The "Tax Credit Adjustment Amount" as defined in the Tax Credit Agreement, less Tax Credit Payments received by the Investment Member.

Tax Credit Agreement: The Tax Credit Guarantee Agreement, dated as of May 1, 2013, among the Company, the Developer, the Managing Member, the Investment Member and certain other parties, as amended from time to time.

Tax Credit Application: The tax credit application originally submitted to the State Agency by the Company on December 21, 2011, as supplemented from time to time.

Tax Credit Payments: The "Tax Credit Payments" made pursuant to the Tax Credit Agreement.

Tax Credits: The low income housing credits available to the Company with respect to the Property pursuant to Code Section 42.

Tax Matters Partner: The Managing Member.

Taxable Income Priority Amount: With respect to each Fiscal Year, an amount equal to (i) the sum of the highest marginal rates of tax for such Fiscal Year imposed upon the net taxable income of corporations by the United States and the State of Connecticut, multiplied by (ii) the net taxable income, if any, allocable by the Company to the Investment Member for federal income tax purposes for such Fiscal Year as determined by the Accountants.

Title Policy: That certain policy for title insurance issued by Fidelity National Title Insurance Company and approved by the Special Member at Initial Closing.

Transfer: Any sale, transfer, hypothecation, gift, bequest, pledge, assignment, distribution, contribution, conveyance, encumbrance or other disposition, whether voluntary,

involuntary, by operation of law or otherwise, of (i) an Interest in the Company or (ii) any ownership interest in the Managing Member.

Voluntary Offer: A written offer by a Member to sell its Interest to the other Member(s), other than as a right of first refusal in connection with a Bona Fide Offer, which sets forth in reasonable detail the price, deposit, payment terms, feasibility period, time for closing and other material terms of acquisition.

Working Capital Reserve: Has the meaning set forth in Section 7.4(C).

Yankee Gas Grant: That certain grant to be provided to the Company in the amount of \$262,629.

2.2 Rules of Construction. The following rules of construction apply to this Agreement:

(A) All Article and Section headings, the table of contents and title page in this Agreement are for convenience of reference only and are not intended to qualify the meaning of any section.

(B) All personal pronouns used in this Agreement, whether used in the masculine, feminine or neuter gender, shall include all other genders, the singular shall include the plural, and *vice versa* as the context may require.

(C) Each provision of this Agreement shall be considered severable from the rest and if any provision of this Agreement or its application to any Person or circumstances shall be held invalid and contrary to any existing or future law or unenforceable to any extent, the remainder of this Agreement and the application of any other provision to any Person or circumstances shall not be affected thereby and shall be interpreted and enforced to the greatest extent permitted by law so as to give effect to the original intent of the parties hereto.

III. BUSINESS PURPOSE

3.1 Purpose.

(A) The purpose of the Company shall be to (i) acquire, construct/rehabilitate, develop, finance, manage, lease and otherwise operate the Property, (ii) dispose of the Property in appropriate circumstances and (iii) engage in any other kind of lawful activity for profit related to the foregoing.

(B) In carrying out the purposes of the Company, but subject to all other provisions of this Agreement, the Company shall be authorized to:

(1) Enter into such contracts and take such actions as are required to acquire, construct/rehabilitate, finance, manage, lease and otherwise operate the Property and otherwise conduct the business of the Company including, without limitation, execution of the Mortgage Loan Documents, the Bond Documents, the HAP Contract, and the documents for the Tax Credits;

(2) Acquire by purchase, lease or otherwise any real or personal property which may be reasonably necessary to the accomplishment of the purposes of the Company;

(3) Operate, maintain, finance, improve, buy, own, sell, convey, assign, mortgage or lease any real estate and any personal property reasonably necessary to the accomplishment of the purposes of the Company;

(4) Borrow money, by assuming obligations or otherwise, and issue evidences of indebtedness in furtherance of any or all of the purposes of the Company, and to secure the same by mortgage, pledge or other lien on the Property or any other assets of the Company;

(5) Establish reserves for proper Company purposes;

(6) Sell, exchange, dispose of, prepay in whole or part, refinance, recast, increase, modify, or extend mortgages affecting the Property or all or any part of other Company property, and obtain additional or substitute mortgages, and in connection therewith execute any extensions, renewals or modifications of any mortgage or deed of trust on the Property;

(7) Employ persons in the operation and management of the business of the Company including, without limitation, attorneys, accountants, mortgage bankers and brokers;

(8) Hold title to Company property;

(9) Enter into the Collateral Agreements and other agreements as may be required to conduct the business of the Company;

(10) Lease space from time to time and collect all rents and other income and to pay therefrom all expenses of the Property;

(11) Enter into, perform, deliver and carry out contracts, certificates and instruments of any kind, including contracts with the Managing Member or Affiliates of the Managing Member pursuant to Section 6.3, necessary or incidental to the performance thereof and the accomplishment of the purposes of the Company;

(12) Obtain from the Mortgage Lenders, HUD and/or any other government agency, mortgage financing, mortgage insurance, housing assistance payments and/or any other available financing or assistance;

(13) Bring, defend, pay, extend, renew, modify, adjust, submit to arbitration, prosecute or compromise any obligation, suit, liability, cause of action or claim with respect to the Company;

(14) Sell, issue, purchase, cancel or dispose of Interests pursuant to the express provisions of this Agreement;

(15) Make interim investments in government obligations, insured obligations, certificates of deposit, bankers' acceptances and other accounts; and

(16) Engage in any kind of lawful activity, and perform and carry out contracts of any kind, necessary or advisable in connection with the accomplishment of the purposes of the Company.

(17) Work Product. The Managing Member and its Affiliates will simultaneously transfer to the Company all of their ownership, right, title and interest in all Property matters and work product relating thereto, including, without limitation, the Property, any agreements with respect to the acquisition, renovation, financing, operation and ownership of the Property, bank and escrow accounts and all Property site plans, architectural plans, working drawings and specifications, surveys, engineering reports and market surveys, other than items retained by them solely to enable them to complete their obligations in connection with the development of the Property. The Managing Member represents that it and its Affiliates do not possess or know of any material Property matters which have not been transferred to the Company. The Managing Member and its Affiliates shall execute all documents reasonably necessary to give effect to this Section 3.2 and pay the cost thereof. No Person shall receive credits to its Capital Account or other remuneration for any such transfers, except as may be expressly set forth in this Agreement.

IV. INTERESTS AND CAPITAL

4.1 Managing Member. The Managing Member, its address, Initial Capital and Interest are set forth in the Schedule of Members. Except as set forth below, the Managing Member is not obligated to provide Additional Capital to the Company.

4.2 Investment Member.

(A) The Investment Member, its address, Initial Capital and Interest are set forth in the Schedule of Members. The Investment Member shall provide \$10,263,000 of Additional Capital to the Company in installments within 30 days after satisfaction of the following conditions:

(1) \$988,000 upon the later of (i) satisfaction of the Closing Conditions and (ii) Initial Closing;

(2) \$1,077,615 upon the latest of (i) 50% completion of the rehabilitation of the Property as certified by the Managing Member and the Architect (and evidenced by the most recent AIA Documents G-702 and G-703) and Consented to by the Special Member (which such Consent shall not be unreasonably withheld), (ii) six (6) months after the payment under Section 4.2(A)(1), (iii) October 1, 2013, and (iv) confirmation by the Special Member that at least \$500,000 of Construction Period Revenue has been applied by the Company to pay rehabilitation costs at the Property;

(3) \$1,186,950 upon the latest of (i) 75% completion of the rehabilitation of the Property as certified by the Managing Member and the Architect (and evidenced by the most recent AIA Documents G-702 and G-703) and Consented to by the

Special Member (which such Consent shall not be unreasonably withheld), (ii) three (3) months after the payment under Section 4.2(A)(2), and (iii) January 1, 2014;

(4) \$5,644,650 upon the latest of (i) the Completion Date, (ii) six (6) months after the payment under Section 4.2(A)(3) above and (iii) July 1, 2014;

(5) \$1,128,930 on the latest of (i) Final Closing, (ii) the initial occupancy of all apartment units (and with respect to the Affordable Units, initial occupancy by "qualified tenants" under Section 42 of the Code pursuant to bona fide leases with initial terms of 12 months or longer), (iii) the date which is three (3) months after the payment of the installment described in Section 4.2(A)(4) above, (iv) Basis Certification, (v) confirmation by the Special Member that at least \$1,000,000 of Construction Period Revenue (in the aggregate) has been applied by the Company to pay rehabilitation costs at the Property; and (vi) October 1, 2014; and

(6) \$236,855 on the latest of (i) receipt from the State Agency of IRS Form 8609 for all residential buildings in the Property with respect to Tax Credits, (ii) the Stabilization Date, (iii) the date which is three (3) months after the payment of the installment described in Section 4.2(A)(5) above, and (iv) January 1, 2015.

(B) (1) If the Actual Credits are less (or more) than Projected Credits, based either on the IRS Forms 8609 or as otherwise determined by the Investment Member based on information supplied by the Accountants, the Additional Capital payable pursuant to Section 4.2(A) shall be automatically and irrevocably reduced (or increased) by 94.0% of the amount by which the Actual Credits are less (or more) than Projected Credits. Any such reduction shall be applied to the unpaid installments of Additional Capital, beginning with the installment of Additional Capital payable pursuant to Section 4.2(A)(5), until fully realized. If no further installments of Additional Capital are to be paid, or if the amount of such reduction is greater than the amount of the remaining unfunded installments of Additional Capital, then the Managing Member shall make a payment to the Company equal to the amount by which such reduction exceeds the unfunded installments of Additional Capital of the Investment Member, and the Company shall immediately distribute such amount to the Investment Member as a return of capital. Any such increase shall be allocated to and paid with the installment of Additional Capital payable pursuant to Section 4.2(A)(6). Notwithstanding anything contained herein to the contrary, any such increase in Additional Capital pursuant to this Section 4.2(B)(1) shall not exceed \$1,026,300.

(2) In the event that the Actual Credits for 2013 are less than the Projected Credits for 2013 (or, if applicable, the Projected Credits for 2013 after any adjustment made pursuant to Section 42(f)(2)(B) of the Code), then (i) the Additional Capital payable pursuant to Section 4.2(A) shall be automatically and irrevocably decreased by 40% of the amount by which the Actual Credits for 2013 are less than Projected Credits for 2013 (the "Downward Timing Adjuster Amount"), and (ii) the Projected Credit for 2023, shall be correspondingly increased and such amount shall become the "Revised Projected Credit" for the year in question. Any such reduction shall be applied to the unpaid installments of Additional Capital, beginning with the installment of Additional Capital payable pursuant to Section 4.2(A)(5), until fully realized. If no further installments of Additional Capital are to be paid, or if the amount of such reduction is greater than the amount of the remaining unfunded

installments of Additional Capital, then the Managing Member shall make a payment to the Company equal to the amount by which such reduction exceeds the unfunded installments of Additional Capital of the Investment Member, and the Company shall immediately distribute such amount to the Investment Member as a return of capital.

(C) The Investment Member shall not be obligated to provide (and shall not be in default if it fails to provide) Additional Capital to the Company pursuant to this Section 4.2 either (i) during any period that a Material Default exists, (ii) until 10 days after the Managing Member provides the written certification required under Section 7.2(B)(1), (iii) during any period of time that a matter certified by the Managing Member pursuant to Section 7.2(B)(1) is, in fact, not true or (iv) during any period of time that an IRS audit of the Company with respect to any item which is material to the Investment Member is ongoing and until its Appeal Conclusion. Notwithstanding anything contained herein to the contrary, the installments of Additional Capital of the Investment Member may only be disbursed against invoices for work and materials (or acquisition of the Property) in concert with disbursements under the Mortgage Loans and upon the satisfaction of requirements, as reasonably determined by the Special Member, similar to those typically applied by a construction lender, including, without limitation, the receipt of architect certifications, lien waivers, title endorsements and legal opinions, provided that following Final Closing invoices shall not be required if the installment of Additional Capital will be applied solely to payment of Developer Fee.

4.3 Special Member. The Special Member, its address, Initial Capital and Interest are set forth in the Schedule of Members. The Special Member is not obligated to provide Additional Capital to the Company.

4.4 Interest on Capital. Any interest earned on Company funds shall inure to the benefit of the Company, and the Members shall not receive interest on their Capital Contributions.

4.5 Withdrawal of Capital. Except as expressly provided otherwise in this Agreement, (i) no Member shall have the right to withdraw or reduce its Capital Contributions, (ii) no Member shall have the right to demand and receive property other than cash from the Company in return for his Capital Contributions, and (iii) if there is more than one Investment Member, no Investment Member shall have any priority over any other Investment Member as to return of its Capital Contributions.

V. ALLOCATIONS AND DISTRIBUTIONS

5.1 Allocations.

(A) The income, profits, gains, losses, deductions and credits of the Company for book and tax accounting purposes shall be determined by the Accountants in accordance with applicable tax accounting principles and, except as provided in Sections 5.1(B) through (I), shall be allocated to the Members, pro rata in accordance with their Interests.

(B) Gains of the Company arising from an event which may give rise to Capital Proceeds shall be allocated in the following order of priority:

(1) To the Members with negative Capital Accounts (determined before distributions of Net Capital Proceeds pursuant to Section 5.2(B)), pro rata in accordance with such negative Capital Accounts, until the negative Capital Account of each Member is brought to zero;

(2) To the Members who are entitled to receive a distribution of Net Capital Proceeds under Sections 5.2(B)(1) and (2), an amount equal to the excess, if any, of (i) the sum of the amounts distributable to them pursuant to Sections 5.2(B)(1) and (2) over (ii) the positive Capital Account balances of such Members (determined after the allocations under Section 5.1(B)(1)), pro rata in accordance with such excess amounts; and

(3) The balance, if any, .01% to the Managing Member, 0.01% to the Special Member and 99.98% to the Investment Member.

(C) Losses of the Company arising from an event which would give rise to Capital Proceeds shall be allocated in the following order of priority:

(1) To the Members with positive Capital Accounts (determined before distributions of Net Capital Proceeds pursuant to Section 5.2(B)), pro rata in accordance with such positive Capital Accounts, until the positive Capital Account of each Member as so determined is brought to zero; and

(2) The balance, if any, to the Members, pro rata in accordance with their Interests.

(D) The following provisions shall apply notwithstanding Section 5.1(A) through (C):

(1) Any gains otherwise allocable pursuant to Section 5.1(B) which are deemed to be ordinary income under Code Sections 1245 and 1250 shall be allocated among the various Members in the same proportion that the depreciation or cost recovery deductions subject to recapture as ordinary income were originally allocated to the Members, less any amounts previously allocated to Members pursuant to this Section 5.1(D)(1);

(2) Any taxable income, gain, loss, and deduction attributable to Contributed or Revalued Property shall be allocated among the Members so as to take in account any variation between the adjusted tax basis of the property to the Company and its fair market value at the time of contribution or revaluation in accordance with Code Section 704(c) or the principles thereof, and any such allocations shall be made with reference to book income, gain, loss and deduction;

(3) If there is a net decrease in Minimum Gain of the Company for a Fiscal Year attributable to Nonrecourse Debt, then each Member shall be allocated items of income and gain for such year (and, if necessary, for subsequent Fiscal Years) in proportion to, and to the extent of, an amount equal to the greater of (i) the portion of such Member's share of the net decrease in Minimum Gain of the Company during such year that is allocable to the disposition of Company property subject to Nonrecourse Debt, or (ii) the deficit balance in such Member's Capital Account as determined pursuant to Treasury Regulation Sections 1.704-

1(b)(2)(ii)(d) and 1.704-2(g)(1). This Section 5.1(D)(3) is intended to comply with the "minimum gain chargeback" provisions of Treasury Regulation Section 1.704-2(f) and shall be interpreted consistently with such Regulation;

(4) If there is a net decrease in Minimum Gain of the Company for a Fiscal Year attributable to Partner Nonrecourse Debt, then any Member with a share of the Minimum Gain attributable to such Partner Nonrecourse Debt at the beginning of such year shall be allocated items of Company income and gain for such year (and, if necessary, for subsequent Fiscal Years) in proportion to, and to the extent of, an amount equal to the greater of (i) the portion of such Members' share of the net decrease in the Minimum Gain attributable to such Partner Nonrecourse Debt that is allocable to the disposition of Company property subject to such Partner Nonrecourse Debt, or (ii) the deficit balance in such Member's Capital Account as determined in accordance with Treasury Regulation Sections 1.704-1(b)(2)(ii)(d) and 1.704-2(i)(5). This Section 5.1(D)(4) is intended to comply with the "minimum gain chargeback" provision of Treasury Regulation Section 1.704-2(i)(4) and shall be interpreted consistently with such Regulation;

(5) Partner Nonrecourse Deductions for each Fiscal Year shall be allocated to the Members who bear or are deemed to bear the economic risk of loss for such debt within the meaning of Treasury Regulation Section 1.752-2 in accordance with the ratios in which such Members so share or are so deemed to share the economic risk of loss for such Partner Nonrecourse Debt. Items to be allocated pursuant to this Section 5.1(D)(5) are intended to be allocated and determined in accordance with Treasury Regulation Section 1.704-2(i), and this Section 5.1(D)(5) shall be interpreted consistently with such Regulation;

(6) Before any allocation is made under Section 5.1 for each Fiscal Year, a Member who unexpectedly receives an adjustment, allocation or distribution described in Treasury Regulation Sections 1.704-1(b)(2)(ii)(d)(4), (5) or (6) shall be allocated items of income and gain (consisting of a pro rata portion of each item of Company income, including gross income, and gain for such year and, if necessary, subsequent years) in an amount and manner sufficient to eliminate any deficit in such Member's Capital Account (as determined in accordance with Treasury Regulation Section 1.704-1(b)(2)(ii)(d)) in excess of any limited dollar amount of such deficit balance that such Member is obligated to restore or deemed to be obligated to restore for purposes of such regulation. This Section 5.1(D)(6) is intended to comply with the "qualified income offset" provisions of Treasury Regulation Section 1.704-2(b)(2)(ii)(d) and shall be interpreted consistently with such Regulation;

(7) Before any other allocation is made under Section 5.1 for each Fiscal Year, items of income (including gross income), gain, loss and deduction shall be allocated so as to offset as quickly as possible any allocations made pursuant to Sections 5.1(D)(3) or (4) to the extent not previously so offset (provided, however, that no allocation shall be made pursuant to this Section 5.1(D)(7) to the extent that any credit under Code Section 42 allocable to the Investment Member under Section 5.1 as a result of consequence of the allocation under this Section 5.1(D)(7) would be reduced);

(8) For each Fiscal Year (and subsequent Fiscal Years, if necessary), (i) gross income of the Company shall be allocated to the Managing Member in the amount of

any expenditures made or incurred by the Company to such Managing Member or any Affiliate of such Managing Member, to the extent the Company claimed to have basis in property or claimed a deduction (including cost recovery depreciation or amortization) in respect of such expenditure and it is determined thereafter that such claim was not proper under the Code, (ii) deductions (including cost recovery depreciation or amortization) in respect of any expenditure funded with Operating Deficit Loans shall be allocated to the Managing Member if (and to the extent that) the Investment Member does not have a positive Capital Account at such time and (iii) income, gain, loss and deduction to be allocated pursuant to Sections 5.1(A) or (B) shall be determined after taking into account such allocations of gross income;

(9) INTENTIONALLY OMITTED

(10) If an Investment Member or Special Member would at any time receive, but for this Section 5.1(D)(10), an allocation of deduction, loss, or expenditure that would cause or increase a deficit balance in such Investment Member's or Special Member's Capital Account (as determined in accordance with Treasury Regulation Section 1.704-1(b)(2)(ii)(d)) in excess of its obligation to restore any such deficit pursuant to Section 5.3(D), the portion of such allocation that would cause or increase such deficit Capital Account balance shall be specially allocated to the Managing Member. Any allocation pursuant to this Section 5.1(D)(10) shall be taken into account in computing subsequent allocations pursuant to Section 5.1, so that the net amount of any items so allocated and all other items of income, gain, loss and deduction allocated to each Investment Member or Special Member pursuant to this Section 5.1 shall, to the extent possible and as soon as possible, be equal to the net amount that would have been allocated to each Investment Member or Special Member pursuant to the provisions of this Section 5.1 if such special allocation had not been made.

(E) Any increase or decrease in the amount of any item of income, gain, loss, deduction or credit attributable to an adjustment to the basis of Company assets made pursuant to a valid election under the Code, and pursuant to corresponding provisions of applicable state and local tax laws, shall be charged or credited, as the case may be, to the Capital Accounts of those Members entitled thereto under such laws.

(F) Income, gain, losses and credits allocated to an Interest assigned or reissued during a Fiscal Year shall be allocated to the Persons who were the holders of such Interest during such Fiscal Year, in proportion to the number of days that each such holder was recognized as the owner of such Interest during such Fiscal Year, and without regard to the date, amount or recipient of any distributions which may have been made with respect to such Interest; provided, however, the Company shall use a "closing-of-the-books" method if (i) the transferor and transferee of such Interest both so instruct the Managing Member and agree to bear any additional costs reasonably incurred by the Company as a result of using such method and (ii) such method complies with Code Section 706.

(G) The Members' interests in Company profits for purposes of determining the Members' shares of the Nonrecourse Debt of the Company are hereby specified, in accordance with Treasury Regulation Section 1.752-3(a)(3), to be the Members' Interests.

(H) Each Member's allocable share of income, gains, losses and credits shall be allocated in accordance with Section 5.1 to the fullest extent permitted by Code Sections 704(b) and (c). In order to preserve and protect the allocations pursuant to this Section 5.1, income, gains, losses and credits arising in any Fiscal Year shall be allocated differently than otherwise provided for in Section 5.1, with the Consent of the Investment Member, if, and to the extent that, in the opinion of Counsel, the allocations under Section 5.1 would violate Code Sections 704(b) and (c). Any allocation pursuant to this Section 5.1(H) shall be deemed to be a complete substitute for any allocation otherwise provided for in Section 5.1, and shall be so designed so as to produce, as nearly as legally permissible, comparable economic consequences to the affected Members. No amendment of this Agreement shall be required for such allocation.

(I) Notwithstanding anything contained herein to the contrary, if any loan to the Company by a Member or Affiliate of a Member is recharacterized as equity for tax purposes, then any interest paid with respect to such loan shall be deemed a deductible guaranteed payment under Code Section 707(c).

(J) There shall be allocated to the Managing Member each year an amount of gross income equal to the MM Distribution.

(K) Any taxable income of the Company resulting from its receipt of debt forgiveness, donations, contributions, grants or subsidies, including but not limited to the Yankee Gas Grant, shall be allocated to the Members in accordance with their Interests.

5.2 Cash Distributions.

(A) Net Cash Flow shall be distributed from time to time in the discretion of the Managing Member (but not less often than annually within 90 days after the end of each Fiscal Year) in the following order of priority:

- (1) Seventy-five percent (75%) of any Net Cash Flow (after reduction of any "Incentive Performance Fee" allowed to the Company pursuant to Assumed HUD Loan Documents) shall be applied to the payment of the Assumed HUD Loan (such payment being first applied to accrued but unpaid interest and then to outstanding principal on the Assumed HUD Loan);
- (2) To Stratford Asset Management Co., LLC in payment of the Asset Management Fee;
- (3) To the Investment Member in payment of any Taxable Income Priority Amounts;
- (4) To the Investment Member in payment of any Tax Credit Adjustment Amounts;
- (5) To the repayment of Operating Deficit Loans;

(6) To the payment of the Development Fee until payment in full of the Development Fee;

(7) To the repayment of principal plus accrued and unpaid interest on the Sponsor Loan;

(8) Ten percent (10%) of any balance available pursuant to this Clause (7) shall be distributed to the Investor Member and .01% available pursuant to this Clause (7) shall be distributed to the Special Member;

(9) To the payment of the Company Management Fee; and

(10) The balance, if any, shall be distributed 100% to the Managing Member (the "MM Distribution")

Notwithstanding anything to the contrary set forth in Section 5.2(A): (i) in no event shall the amount of Net Cash Flow paid in any year exceed the amount of "Surplus Cash" allowed by HUD to be distributed in such year.

(B) Net Capital Proceeds shall be distributed from time to time when available in the following order of priority:

(1) To Stratford Asset Management Co., LLC in payment of the Asset Management Fee;

(2) To the Investment Member in payment of any Taxable Income Priority Amounts;

(3) To the Investment Member in payment of any Tax Credit Adjustment Amounts;

(4) To the repayment of Operating Deficit Loans;

(5) To payment of any unpaid Development Fee;

(6) To the repayment of principal plus accrued and unpaid interest on the Sponsor Loan;

(7) To the Members with positive Capital Accounts (determined after the allocations pursuant to Sections 5.1(B) and (C)), pro rata in accordance with such positive Capital Accounts;

(8) The balance, if any, 89.99% to the Managing Member, 0.01% to the Special Member and 10% to the Investment Member.

5.3 Capital Accounts.

(A) Throughout the full term of the Company, the Company shall maintain a Capital Account for each Member. The transferee of an Interest shall succeed to the Capital Account of the transferor to the extent such Capital Account relates to the transferred Interest.

(B) The Capital Accounts of the Members shall be adjusted (and Company property may be revalued on the books of the Company to reflect its fair market value) as required by Treasury Regulations Section 1.704-1(b)(2)(iv)(e), (1) and (m) upon (i) the termination of the Company under Code Section 708(b)(1)(B) or (ii) the distribution of property other than money to a Member.

(C) The Managing Member shall not cause, permit or suffer the Capital Accounts of the Members to be adjusted in the manner provided in Treasury Regulation 1.704-1(b)(2)(iv)(f) without the Consent of the Investment Member; provided however, that at the request of the Investment Member, the Managing Member shall cause the Capital Accounts to be so adjusted.

(D) The Investment Member may irrevocably elect to contribute to the Company any additional amount not exceeding any deficit in its Capital Account, calculated after allocation of gain or loss associated with liquidation, which may exist upon a future liquidation of the Company. The election shall be made in writing, signed by the Investment Member, and shall be delivered to the Managing Member prior to the close of the taxable year of the Company as to which the Investment Member intends the election to become effective. The election shall specify a maximum amount that the Investment Member agrees to so contribute to the Company. The electing Investment Member may, by a subsequent election under this Section 5.3(D), irrevocably elect to increase the maximum amount that the Investment Member agrees to contribute to the Company, but in no event may the Investment Member decrease the maximum amount.

VI. MANAGEMENT

6.1 Managing Member.

(A) Subject to and limited by the provisions of this Agreement, the Managing Member shall have full, exclusive and complete authority, discretion, obligation and responsibility with respect to the business of the Company. The Managing Member shall manage and control the affairs of the Company to the best of its ability and shall use best efforts and due diligence to carry out the business of the Company and its obligations and responsibilities under this Agreement. The Managing Member shall devote so much of its time to the business of the Company as is reasonably necessary to conduct the affairs of the Company for the benefit of the Members.

(B) Subject to and limited by the provisions of this Agreement, the Managing Member shall have the authority, duty and obligation to:

(1) Take all actions reasonably necessary to maintain the Company's business operations and accomplish the purposes of the Company;

(2) Administer, manage and direct the business of the Company and take such actions as are reasonably necessary to further the interests of the Company;

(3) Monitor the day to-day operations of the Property on behalf of the Company and supervise the activities of the Property Manager;

(4) Monitor the construction/rehabilitation of the Property on behalf of the Company;

(5) Oversee the Company's compliance with the Mortgage Loans and its relationship with the Mortgage Lenders;

(6) Oversee the Company's compliance with the terms and conditions applicable to the Tax Credits and the Bonds, including the Restrictive Covenant, and its relationship with the State Agency;

(7) Oversee the Company's compliance with the HAP Contract and its relationships with HUD;

(8) Supervise and defend against any litigation or proceedings brought against the Company;

(9) Oversee the selection and conduct of relations with consultants and technical advisors (including, without limitation, accountants, architects, engineers and other similar advisors, attorneys, real estate and mortgage loan brokers and dealers, corporate fiduciaries, escrow agents, depositories, custodians, agents for collection, insurers, insurance agents and banks) and persons acting in any other capacity, in connection with the Company or the Property;

(10) Collect, maintain and distribute all funds and assets of the Company, including the maintenance of bank and other accounts, in accordance with this Agreement; and

(11) Maintain the books and records of the Company in accordance with this Agreement.

(C) The Managing Member hereby covenants that it shall do the following:

(1) Cause the Company and the Property Manager during the Compliance Period to (i) hold for occupancy each of the Affordable Units in the Property in such a manner as to qualify the Affordable Units as "low-income housing" under Code Section 42, (ii) operate the Property in such a manner as to qualify the Property as a "qualified low-income housing project" under Code Section 42, and also as a "qualified residential rental project" under Code Section 142(d), (iii) take all actions necessary in order to qualify for (and maintain) the Tax Credits, including receipt of IRS Forms 8609, and (iv) not take any action which would cause the disallowance or recapture of any Tax Credits allocated to the Members;

(2) Cause the Company to complete the lien free construction/rehabilitation of the Property and achieve the Completion Date and the Final Closing in accordance with underlying plans and specifications, and cause the Property to achieve the Stabilization Date and the operation and construction/rehabilitation of the Property to comply with all requirements of the Mortgage Loans, the Property Documents and all applicable laws, rules and regulations;

(3) Perform, or cause its Affiliates to perform, all of their respective obligations and duties under the Collateral Agreements and the Property Documents;

(4) Ensure that the Company does not pay any fee or repay any loan to a Managing Member or any Affiliate, other than amounts payable from Capital Contributions pursuant to this Agreement, the Mortgage Loan Documents and the Collateral Agreements, until all costs, expenses and liabilities then due to unaffiliated Persons are paid in full, and all Reserves necessary or appropriate for the business of the Company are funded in full;

(5) Cause the Company and the Property Manager to comply with all requirements of the Bonds, Mortgage Loans, the Restrictive Covenant, the HAP Contract, the Regulatory Agreement and all laws, rules, regulations and governmental requirements applicable to the Property, including, without limitation, matters relating to zoning, construction, fire protection, building code, health code, housing code, traffic, flood control, fire safety, environmental regulations or the use of the Property for its intended purposes;

(6) Cause the Company to (i) pay all debts and obligations when due, (ii) refrain from any material default under any contract, agreement or obligation with respect to the Company or the Property, (iii) make monthly deposits of 1/12th of the projected annual real estate taxes for the Property in an escrow maintained by the First Mortgage Lender (if required by the First Mortgage Lender) and (iv) avoid the imposition of any liens or restrictions on the Property, other than those appearing on Schedule B of the Title Policy approved by the Special Member at Initial Closing;

(7) Cause the Company to manage, operate, repair and maintain the Property in a high-quality manner consistent with the standards maintained in the Waterbury, Connecticut area by other well-managed "affordable" housing rental projects;

(8) Cause the Company to maintain all water, sewer, electric, natural gas, telephone, drainage and other public utilities reasonably necessary for the operation of the Property;

(9) Ensure that they and their Affiliates not cause the Property to contain, use their best efforts to ensure that no other Person causes the Property to contain, if existing as of the date hereof, cause the Company to remediate in accordance with the Development Plan, and indemnify and hold harmless the Company and the Members with respect to the consequences of (i) any substance which may be hazardous, including, without limitation, hazardous waste, lead-based paint, asbestos, methane gas, urea formaldehyde insulation, oil, toxic substances, underground storage tanks, polychlorinated biphenyls or radon, (ii) any oil, toxic substances or other pollutants that could be a detriment to the Property or

(iii) any substance which would cause the Property to be in violation of any local, state or federal law or regulation or in violation of the Clean Air Act, Clean Water Act, Resource Conservation and Recovery Act, Toxic Substance Control Act, Safe Drinking Water Control Act, Comprehensive Environmental Resource Compensation and Liability Act, Occupational Safety and Health Act, or the Superfund Amendment and Reauthorization Act, and all rules and regulations thereunder;

(10) Subject to any applicable provisions in the Bond Documents and Mortgage Loan Documents, cause the Company to terminate the Property Management Agreement if the Property Manager is in material default thereunder and enter into an agreement with a substitute Property Manager pursuant to this Agreement;

(11) Cause the Company to maintain adequate insurance protection against all risks which are customarily insured against by entities in the Company's business, including, without limitation, (i) Comprehensive General Liability Insurance of at least \$2,000,000 (\$1,000,000 per occurrence, \$2,000,000 in the aggregate) per location for bodily injury and property damage plus an umbrella policy of \$3,000,000 (ii) Worker's Compensation Insurance, if necessary, and (iii) Direct Property Damage Insurance providing protection against perils that are covered under standard insurance practices within the classification of all risk property damage insurance, including, without limitation, fire, extended coverage perils, business income, vandalism, malicious mischief and sprinkler leakage to the extent of 100% of the full replacement cost of the Property, with all such insurance issued by an insurer having a financial rating of VIII and a policyholder's rating of A or better in the most recently published Best's Guide or a comparable or better rating in any comparable guide;

(12) Cause the Mortgage Loans to be non-recourse obligations of the Company, the Members and their Affiliates at all times after Final Closing, except for customary exclusions for fraud, misappropriation of funds or waste;

(13) Cause the Company to be treated as a "partnership", and not as an association taxable as a corporation, for federal income tax purposes; and

(14) Cause the Company to be treated as a limited liability company, and the Investment Member and the Special Member to be treated as Members with limited liability for Company obligations, under the Act and laws of all applicable jurisdictions.

6.2 Limitations on Managing Member.

(A) The Managing Member and its Affiliates shall not have any authority to perform (i) any act in violation of any applicable law or regulation thereunder, (ii) any act prohibited by Sections 6.2(B) or 6.2(D) or (iii) any act without any Consent or ratification which is required to be consented to or ratified by the Investment Member or the Special Member pursuant to this Agreement or the Act.

(B) No action shall be taken by the Managing Member if it would (i) change the Company to an association taxable as a corporation for federal income tax purposes, (ii) result in the "termination" of the Company for tax purposes (except with the Consent of the Investment Member), or (iii) cause any of the Mortgage Loans to be a recourse obligation of the

Company or any Member for federal income tax purposes at any time after Final Closing. A determination of whether such action will have any of the above described effects shall be based upon a declaratory judgment or similar relief obtained from a court of competent jurisdiction, a favorable ruling from the IRS, or the receipt of an opinion of Counsel.

(C) The Consent of the Investment Member shall be required prior to any action by the Managing Member with respect to the following matters:

- (1) Causing the Company to engage in any business other than that contemplated by this Agreement;
- (2) Taking any action which would make it impossible to carry on the ordinary business of the Company;
- (3) Confessing a judgment against the Company;
- (4) Engaging in any Capital Transaction;
- (5) Engaging in any substantial alteration, demolition, construction or reconstruction of the Property not contemplated by the initial Development Plan, except as required under the Mortgage Loans;
- (6) Entering into agreements restricting the use of Company property, other than the Restrictive Covenant, the Bond Documents, the Mortgage Loan Documents, and normal and customary easements;
- (7) Selling or assigning a Managing Member's Interest or admitting any Person as a Successor Managing Member, except as provided in Articles VIII or IX;
- (8) Paying any fee to a Managing Member or an Affiliate of a Managing Member which is not permitted under the Collateral Agreements;
- (9) Commencing litigation on behalf of Company which involves more than \$10,000 in controversy, or settling any claim by the Company or against the Company for more than \$25,000 (exclusive of available insurance proceeds);
- (10) Admitting any Person as a Member to the Company;
- (11) Amending or terminating any Collateral Agreement;
- (12) Amending the Development Plan;
- (13) Causing the Company to engage in an event of Bankruptcy;
- (14) Causing the Company to pledge or assign the Capital Contributions of the Investment Member;
- (15) Causing the Company to reinvest Capital Proceeds, other than on a short-term basis;

- (16) Causing the Company to accept any grant;
- (17) Adopting the Annual Budgets (and modifications thereto) for the Company and the Property, although the prior Annual Budget may be used by the Managing Member until such Annual Budget is adopted;
- (18) Permitting the Transfer of an ownership interest in the Managing Member;
- (19) Taking any other action requiring the Consent of the Investment Member pursuant to any express provision of this Agreement;
- (20) Causing the Company to repay any portion of the First Mortgage Loan (or taking any action that would cause the First Mortgage Loan to be funded by any source other than the Bonds) before the later of: (a) the Completion Date, or (b) Basis Certification; or
- (21) Causing the Company to enter into any new HAP Contract or any extension, amendment or modification to the HAP Contract in effect on the Initial Closing, or execute any new HAP Contract or similar agreement in connection with the Property.

(D) The Managing Member and its Affiliates shall not be entitled to:

- (1) Cause the Company to make loans to any Person, including the Managing Member or its Affiliates;
- (2) Cause the Company to (i) purchase or lease real property, other than the Property, from any Person or (ii) purchase or lease personal property from the Managing Member or their Affiliates;
- (3) Take any action which would make it impossible to carry on the ordinary business of the Company;
- (4) Possess or transfer Company property for other than Company purposes;
- (5) Perform any act on behalf of the Company or in its name in violation of any applicable law, rule or regulation, or perform any act in contravention of this Agreement;
- (6) Act in any manner which would lead any Person to believe that the Investment Member or the Special Member is a Managing Member of the Company;
- (7) Cause the Company to commingle its funds with the funds of others;
- (8) Take any action which would result in a Material Default;

- (9) Cause the Company to merge or consolidate with another Person;
- or
- (10) Permit the Transfer of any ownership interest in the Managing Member.

(E) The Managing Member shall at all times be a “single purpose entity” solely engaged in the business of being the Managing Member of the Company. The Managing Member shall not incur any debts or liabilities that are not related to the Company and/or the performance of its duties and guaranties under this Agreement and/or the Collateral Agreements. The Managing Member shall at all times identify itself, maintain its books and records and maintain its funds in a manner which is clearly separate and distinct from its Affiliates and the Company.

6.3 Liability for Acts and Omissions.

(A) Except as may be provided otherwise under the Collateral Agreements, neither the Managing Member nor any Affiliate of the Managing Member shall be liable, responsible or accountable in damages or otherwise to any of the Members or the Company for any act or omission performed or omitted by them if they determined, in good faith, that such action or omission was in the best interests of the Company, and such course of action did not constitute gross negligence, willful misconduct, breach of fiduciary duty or a Material Default by such Persons.

(B) The Managing Member shall indemnify and hold harmless the Company, the Investment Member and the Special Member against any direct loss, damage, liability, cost or expense (including reasonable attorneys’ fees) actually incurred by them as a result of gross negligence, willful misconduct, breach of fiduciary duty or Material Default by such Managing Member or its Affiliates.

(C) Upon a Material Default, the Managing Member shall be liable to the Company, the Investment Member and the Special Member for all claims, costs, damages, injuries, losses and liabilities, including legal costs and reasonable attorneys’ fees, incurred by reason of such breach or default. In addition, (i) the Investment Member shall be entitled to direct fees and other amounts otherwise payable by the Company under this Agreement or any Collateral Agreement to cure such breach or default, (ii) the Investment Member may remove the Managing Member pursuant to Section 8.3(A) and exercise the remedies provided in Section 8.4 and/or (iii) the Investment Member may assume or designate another Person to assume the obligation which is in default.

(D) In order to secure the performance of the Managing Member and its Affiliates under this Agreement and the Collateral Agreements, the Managing Member hereby assigns, on its behalf and on behalf of its Affiliates to the Investment Member all fees, distributions, loan repayments or other amounts to which the Managing Member and any of its Affiliates are entitled under this Agreement and the Collateral Agreements, which assignment shall be deemed a grant of a security interest. The Managing Member shall cause such security interest to remain a perfected security interest in such collateral at all times and, at the request of

the Investment Member, shall execute (and/or cause its Affiliates to execute) such documents as may be necessary or appropriate to further evidence and perfect such security interest. Notwithstanding such security interest, the Managing Member and its Affiliates shall be entitled to receive such fees, distributions or other amounts unless and until a Material Default occurs.

(E) The Managing Member may not cause the Company to transact business with itself or its Affiliates, except as set forth in the Collateral Agreements.

(F) As among the Members, the Managing Member shall observe and perform the same standards of duty and care, accept and perform the same financial obligations, and act in all respects on behalf of and with respect to the Company, as if it were the general partner of a limited partnership and the Non-Managing Members were limited partners of such limited partnership.

6.4 Property Manager.

(A) The Company shall enter into the Property Management Agreement with the Property Manager. The Property Management Agreement shall (i) be subject to termination with or without cause on not more than 60 days' notice, (ii) be in a form reasonably acceptable to the Investment Member, and (iii) not be amended without the Consent of the Investment Member. The Managing Member may dismiss the Property Manager or, at the direction of the Investment Member, must dismiss the Property Manager upon the occurrence of (i) a Material Default or (ii) an event permitting such dismissal under the Property Management Agreement.

(B) Upon the dismissal or voluntary termination of the Property Manager under the Property Management Agreement, a substitute Property Manager shall be named, with the approval of the Mortgage Lenders, if required, by (i) the Managing Member, with the Consent of the Investment Member, if such dismissed Property Manager is not an Affiliate of a Managing Member, or (ii) the Investment Member if such dismissed Property Manager is an Affiliate of a Managing Member.

(C) The Managing Member shall cause the Property Manager to retain a tax credit compliance consulting firm acceptable to the Investment Member (the "Compliance Consultant"), which such firm shall be engaged until the later of (i) the Stabilization Date or (ii) the receipt from the State Agency of IRS Form 8609s for all residential buildings in the Property. The Compliance Consultant will review and approve all documentation (including, without limitation, all tenant files and applications evidencing compliance with the Tax Credit Property) submitted by new and existing tenants of the Property. The cost of the Compliance Consultant shall be paid by the Investment Member or the Special Member.

(D) Notwithstanding anything to the contrary set forth in the Property Management Agreement, the Managing Member shall cause the Property Manager to defer payment of its Property Management Fee if and to the extent such deferral is necessary to avoid an Operating Deficit. Any portion of the Property Management Fee so deferred shall accrue and be payable to the Property Manager as an Operating Cost as soon as funds become available.

(E) If requested by the Special Member, the Property Manager shall provide the Special Member with simultaneous copies of all reports and notices sent to the Company pursuant to the Management Agreement.

6.5 Tax Matters Partner.

(A) The Tax Matters Partner shall, to the extent and in the manner provided by the Code, at the Company's cost, (i) furnish the name, address, Interest and taxpayer identification number of each Member to the IRS, (ii) keep each Member informed of the administrative and judicial proceedings for the adjustment of any item required to be taken into account by a Member for income tax purposes, (iii) within 15 days after receiving a notice of a Company audit by the IRS, forward a copy of such notice to the Members; provided, however this shall not relieve the notice requirements of Section 7.2(B)(9), and (iv) register the Company with the IRS as a "tax shelter" if required by the Code, and deliver information with respect to such registration to the Members.

(B) The Tax Matters Partner is hereby authorized, only with the Consent of the Investment Member, and required if so instructed by a Notice from the Investment Member, to take the following actions at the Company's cost:

(1) Enter into any settlement with the IRS with respect to any tax audit or judicial review, in which agreement the Tax Matters Partner may expressly state that such agreement shall bind the other Members, except that such settlement agreement shall not bind any Non-Managing Member who (within the time prescribed pursuant to the Code and regulations thereunder) files a statement with the IRS providing that the Tax Matters Partner shall not have the authority to enter into a settlement agreement on the behalf of such Non-Managing Member;

(2) If a final administrative adjustment of a Company item required to be taken into account by a Non-Managing Member for tax purposes is mailed to the Tax Matters Partner, seek judicial review of such final adjustment, including the filing of a petition for readjustment with the Tax Court, the District Court of the United States for the district in which the Company's principal place of business is located, or the United States Claims Court;

(3) Intervene in any action brought by any other Non-Managing Member for judicial review of a final adjustment;

(4) File a request for an administrative adjustment with the IRS at any time, and, if any part of such request is not allowed by the IRS, file a petition for judicial review with respect to such request;

(5) Enter into an agreement with the IRS to extend the period for assessing any tax which is attributable to any item required to be taken into account by a Non-Managing Member for tax purposes, or an item affected by such item; and

(6) Take any other action on behalf of the Non-Managing Members or the Company in connection with any administrative or judicial tax proceeding to the extent permitted by applicable law or regulations.

(C) Notwithstanding any other provision of this Section 6.5, (i) the Tax Matters Partner shall not take any action under Section 6.5 which would have a materially adverse tax impact on the Investment Member if such action is not Consented to by the Investment Member and (ii) the Tax Matters Partner shall keep the Investment Member promptly informed of any tax matters involving the Company.

6.6 Company Costs.

(A) All of the Company's costs shall be billed to, and paid by and in the name of, the Company including, without limitation, Acquisition and Financing Costs, Organizational Costs, Construction Costs, Operating Costs, Capital Costs, and Other Fees and Costs.

(B) The Managing Member shall comply with its obligation to make, and shall enforce the obligation of the Guarantors to make, Tax Credit Payments as required under the Tax Credit Agreement, Construction Completion Payments and Repurchase Payments as required under the Completion Agreement and Operating Deficit Loans as required under the Operating Deficit Agreement.

(C) If Acquisition and Financing Costs, Organizational Costs, Construction Costs, Operating Costs, Asset Management Fees, Capital Costs, or other Company obligations exceed available revenues (including, without limitation, Operating Deficit Loans, Construction Completion Payments, Cash Flow or Capital Proceeds), the Managing Member, in its discretion, may make (or cause Affiliates to make) Subordinated Loans to the Company. If Subordinated Loans are necessary or appropriate and the Managing Member (or its Affiliate) do not fund them, the Investment Member may make (or cause Affiliates to make) such Subordinated Loans. Any Subordinated Loans shall be made only for a valid Company purpose. Any Subordinated Loans from the Managing Member (or its Affiliates) shall bear interest at the Prime Rate. Any Subordinated Loans from the Investment Member (or its Affiliates) shall bear interest at the Designated Rate. Subordinated Loans shall be repaid with interest from Cash Flow or Capital Proceeds remaining after the payment of (i) all Taxable Income Priority Amounts, (ii) all Tax Credit Adjustment Amounts, and (iii) Operating Costs (including Asset Management Fees), Other Fees and Costs, Capital Costs and other liabilities, costs and expenses then due to Persons who are not the Managing Member or its Affiliates. Notwithstanding the foregoing, (x) any and all Subordinated Loans (and the interest accrued thereon) made by the Special Member or the Investment Member or any of their Affiliates will be repaid before any Subordinated Loans (and the interest accrued thereon) made by the Managing Member or any Affiliate of the Managing Member are repaid and (y) the Managing Member (or its Affiliates) may not make Subordinated Loans if they would have a materially adverse tax impact on the Investment Member.

(D) The Investment Member, in its discretion, shall be entitled to make Capital Contributions to the Company in lieu of Subordinated Loans it would be otherwise entitled to make under Section 6.6(C). If the Investment Member makes such Capital Contributions, it shall be entitled to receive a "priority return" thereon in the amount of, and in lieu of, interest it would otherwise be entitled to receive on Subordinated Loans. Such Capital Contributions shall be repaid, and the "priority return" thereon shall be paid, in the same manner and at the same times that Subordinated Loans would have been repaid, and interest thereon would have been paid, under Section 6.6(C).

6.7 Financing Provisions.

(A) The Company is authorized to execute and deliver the Bond Documents and the Mortgage Loan Documents, and to take all actions which are reasonable necessary or appropriate in connection therewith including, without limitation, actions in connection with the Initial Closing. The Managing Member shall deliver all such documents and/or any proposed amendments thereto to the Investment Member for its review, comment and Consent within not less than 15 days of the proposed date of their execution and delivery.

(B) The Managing Member shall deliver to the Investment Member copies of all notices received under, or in connection with, the Bond Documents and/or the Mortgage Loan Documents promptly after receipt.

6.8 Development Period Provisions.

(A) The Company shall complete the development of the Property pursuant to the Development Plan and in compliance with all applicable laws, rules, regulations and governmental requirements, and shall take all actions which are reasonably necessary or appropriate in connection therewith. The Company shall not deviate from the Development Plan without the Consent of the Investment Member.

(B) The Managing Member shall deliver progress reports to the Investment Member regarding the development of the Property not less than monthly through the Completion Date. Such reports shall summarize in reasonable detail the status of development and shall address, without limitation, (i) the status of construction/rehabilitation completion (with copies of inspector reports, architect certifications, cost requisitions and other similar matters), (ii) an explanation of any existing or proposed change orders, (iii) a detailed comparison of actual versus budgeted development costs and (iv) the status of lease-up.

(C) Unless the Property is located in an United States Environmental Protection Agency Radon Zone "3," or unless radon testing already has been conducted and all results were below the EPA's recommended action level of 4.0 Pico Curies per liter of air ("pCi/L"), the Managing Member covenants and agrees that radon testing shall be conducted in the lowest level suitable for occupancy in each residential building in a number of units acceptable to the Investor Member at the Property following the completion of the Construction activities at the Property to confirm that radon levels at the Property are below the EPA's recommended action level of 4.0 pCi/L. If the radon testing reveals radon levels in excess of the EPA's recommended action level of 4.0 pCi/L, radon mitigation techniques to prevent the build-up of radon at the Property shall be incorporated into the site. Construction and radon testing shall be conducted again following the implementation of radon mitigation techniques, but prior to occupancy, to confirm that radon levels at the Property are below the EPA's recommended action level of 4.0 pCi/L. In the event that the radon testing reveals indoor radon levels at the Property above the EPA's recommended action level despite the implementation of radon mitigation techniques at the Property, all measures necessary to reduce and maintain radon levels at the Property below the EPA's recommended action level of 4.0 pCi/L shall be promptly undertaken.

6.9 Operating Period Provisions.

(A) The Company shall operate, repair and maintain the Property upon the terms and conditions set forth in this Agreement, in compliance with (i) the Mortgage Loan Documents, (ii) the Restrictive Covenant, (iii) the Bond Documents, (iv) the requirements to qualify for the Tax Credits, including, without limitation, the requirements of the Code and the rules and regulations of the State Agency, (v) the HAP Contract and (vi) all other laws, rules, regulations and governmental requirements applicable to the Property. The Managing Member shall take all actions which are reasonably necessary as appropriate in connection with the operation of the Property.

(B) The Property shall be operated pursuant to an annual operating and capital budget which shall be prepared by the Managing Member and which shall be subject to the Consent of the Investment Member. The Managing Member shall deliver a proposed Annual Budget to the Investment Member for review, comment and Consent by at least 60 days before each Fiscal Year. After such Annual Budget has been adopted with the Consent of the Investment Member, it shall be followed by the Company in connection with the operation, repair and maintenance of the Property during such Fiscal Year. Each and every expense shall be charged to the proper expense category as specified in the Annual Budget. The Managing Member shall diligently use all best efforts to cause the Company to operate the Property in a manner to ensure that the actual cost of operating, repairing and maintaining the Property does not exceed the costs approved in the Annual Budget, either in total or in any one expense category. The Managing Member shall use best efforts to ensure that the Company shall not make expenditures which exceed the Annual Budget, either in total or in any one expense category (as opposed to each line item), although in the case of any emergency which would threaten the normal operation of the Property, the Company shall be entitled to make the necessary expenditures.

6.10 Tax Credit/Bond Provisions.

(A) The Company shall take actions which are reasonably necessary or appropriate to ensure that the Property qualifies for, and that the Company allocates to the Investment Member, the Tax Credits. The Company shall operate itself and the Property strictly in accordance with (i) the Tax Credit Application submitted to the State Agency in its application for Tax Credits, and all rules and regulations promulgated by the State Agency, including without limitation, the applicable Connecticut qualified allocation plan, (ii) the Mortgage Loan Documents and (iii) the Bond Documents. The Company shall not make any elections regarding Tax Credits without the Consent of the Investment Member and shall make all such elections required by the Investment Member upon its request.

(B) The Managing Member shall deliver to the Investment Member for its review, comment and Consent all proposed Tax Credit filings including, without limitation, cost certifications, placed in service filings and annual reports to the State Agency. The Managing Member shall also deliver to the Investment Member all notices or other reports received in connection with the Tax Credits and Bonds including, without limitation, correspondence from the State Agency, the Issuer or the IRS.

(C) The Managing Member acknowledges the importance of renting Affordable Units only to Tax Credit qualified tenants and of maintaining detailed, compliant tenant files. The Investment Member shall have access to all tenant files upon reasonable Notice and, upon request, the Managing Member shall deliver copies of such tenant files to the Investment Member.

(D) The Managing Member shall cause at least 50% of the aggregate basis of the building at the Property and the land on which such building is located (provided in Section 42(h)(4) of the Code) to be financed by proceeds of the Bonds. The Managing Member shall ensure that the First Mortgage Loan will be fully funded exclusively with Bonds and that no portion of the First Mortgage Loan will be repaid prior to the later of (i) the Completion Date, or (ii) Basis Certification.

(E) The Managing Members shall take, or cause to be taken, all actions as shall be necessary to maintain the Credit Determination Letter in full force and effect, and to fulfill, or cause the Company to fulfill, all applicable terms and conditions of the Credit Determination Letter.

6.11 HAP Contract Provisions.

(A) The Company is authorized to execute and deliver the HAP Contract and to take all actions which are reasonable, necessary or appropriate in connection therewith. The Managing Member shall deliver all such documents and/or any proposed amendments thereto to the Investment Member for its review, comment and Consent within not less than 15 days of the proposed date of their execution and delivery.

(B) The Managing Member shall deliver to the Investment Member copies of all notices received under, or in connection with, the HAP Contract promptly after receipt.

6.12 Special Member.

(A) Except as expressly provided otherwise in this Agreement, the Special Member shall not be involved in the day-to-day affairs of the Company and shall have no financial obligations to the Company. Each Member acknowledges such limited responsibilities of the Special Member.

(B) The Special Member shall have the following rights:

(1) Upon a Material Default, the right to (i) assume or designate another Person to assume the obligation which is in default and/or (ii) direct distributions which are otherwise payable to the Persons in default or their Affiliates to cure such default;

(2) The right to perform or assist the Managing Member in performing all reporting to the Members;

(3) The right to act on behalf of the Company under the Collateral Agreements to the extent permitted therein;

(4) The right to manage and administer the day-to-day affairs of the Company, and make all decisions with respect thereto, upon the withdrawal or removal of the Managing Member and until the appointment of a Successor Managing Member; and

(5) The right to take such other actions, or to Consent to certain actions by the Managing Member, set forth elsewhere in this Agreement.

VII. ACCOUNTING AND REPORTS

7.1 Books and Records. The Managing Member shall maintain at the office of the Company a copy of this Agreement and full and accurate books of the Company showing all receipts and expenditures, assets and liabilities, profits and losses, names and addresses of Members and all other records necessary for recording the Company's business and affairs (including, without limitation, copies of books and records maintained by the Property Manager and agents thereof to the extent such books and records relate to the Property). Such books and records shall be (i) maintained in accordance with generally accepted accounting principles, (ii) retained by the Company throughout the term of this Agreement and (iii) available at the principal office of the Company at any and all reasonable times upon at least 2 days' Notice for examination by the Investment Member and its duly authorized representatives. The Investment Member (and its duly authorized representatives) shall have the right to inspect and copy any or all of the Company's books and records, including books and records necessary to enable the Investment Member to defend any tax audit or related proceeding, upon at least 2 days' Notice, and shall have, on demand, true and full information of all matters affecting the Company. In addition, the Investment Member and its agents shall have the right to enter the Property at all reasonable times and upon reasonable notice to the Company for the purpose of examining and inspecting the Property.

7.2 Financial Statements and Reports.

(A) The books and records of the Company shall be kept on the accrual basis. The Managing Member shall cause the Accountants, at the Company's cost, to (i) prepare, for execution by the Managing Member, all tax returns of the Company and (ii) audit and certify annual financial reports to the Company. In addition, the accounts of the Company shall be audited or reviewed at any other time that a Member may deem it reasonably necessary or desirable at the expense of the party requiring such audit or review.

(B) The Managing Member shall provide the Investment Member (or its designees) with the following reports no later than the dates indicated or as soon thereafter as circumstances permit:

(1) Not more than 30 days, nor less than 15 days, before the date that a Capital Contribution is due pursuant to Section 4.2, a written certification that (i) all conditions to the payment of such Capital Contribution have been met and (ii) a Material Default does not exist;

(2) Within 60 days after the end of the Fiscal Year and at any other time upon request from the Investment Member, a written certification that (i) there has been on change in the legal or beneficial ownership of the Managing Member, (ii) a Material Default

does not exist, (iii) all Mortgage Loans, real estate tax (or payments in lieu thereof) and insurance premium payments are current, (iv) no notice has been received of any defaults under the Restrictive Covenant, the Bond Documents, the HAP Contract, the Mortgage Loan Documents or this Agreement and (v) no notice has been received of any building, health or fire code violation or other violation of a law, regulation or ordinance of a material nature with respect to the Property or, if there has been any such notice, a description of the violation and the steps taken to cure it;

(3) Within 60 days after the end of the Fiscal Year and at any other time upon request from the Investment Member, a written certification summarizing all transactions during the prior Fiscal Year, other than transactions already disclosed in this Agreement, between the Company and the Managing Member or any Affiliate, including the nature of the transaction and the payments involved;

(4) Within 60 days before the beginning of each Fiscal Year, an Annual Budget;

(5) Within 10 days after learning of such an event, written Notice of any event which materially affects the Property or any material defaults or arrearages in the payment of any debt or obligation of the Company of over 30 days duration, including the steps taken to cure any such default or arrearage;

(6) Promptly upon filing, all Tax Credit reports and filings with the State Agency or the IRS;

(7) Promptly upon receipt, all reports received under the Property Management Agreement;

(8) Promptly upon receipt, notice of (i) any Material Default, (ii) any IRS proceeding involving the Company or the Property, (iii) any civil or criminal proceeding involving the Managing Member or an Affiliate and (iv) any communication from the Mortgage Lenders, State Agency, HUD or the Issuer not in the ordinary course of business, including any REAC inspection reports, HUD Management and Occupancy Reports or CHFA inspection reports;

(9) As soon as reasonably possible after written request from an Investment Member, all available information reasonably necessary to comply with any federal or state reporting requirements, including applicable tax and securities law requirements;

(10) Within 20 days after the end of each quarter, unaudited statements of income and cash flow for the Company prepared by the Managing Member; and

(11) Within 90 days after the end of the Fiscal Year, (i) certified financial statements for the Managing Member, (ii) financial statements for the Guarantors which shall be certified by the Guarantors as true, complete and correct, (iii) IRS Form 1065 and Schedule K 1, or similar forms as may be required by the IRS for the Company, stating each Member's allocable share of income, gain, loss, deduction or credit for the prior Fiscal Year, and (iv) a balance sheet and the related statements of income, cash flow, Members' capital and

changes in financial position for the Company, accompanied by a report of Accountants stating that an audit of such statements (except the cash flow statement) has been made in accordance with generally accepted auditing standards and containing the opinion of the Accountants with respect to the financial statements and the accounting principles and practices reflected therein and as to the consistency of the application of the accounting principles and practices, and identifying any matters to which the Accountants take exception and stating, to the extent practicable, the effect of each such exception on such financial statement.

(C) If the Managing Member or an Affiliate is entitled to receive notice directly from a Mortgage Lender, the State Agency, HUD or other Person in connection with the Company or the Property, the Managing Member shall, at the request of the Investment Member, use its best efforts to have such notices also sent directly to the Investment Member or its designee at the same time.

7.3 Company Funds. The Managing Member shall have total fiduciary responsibility for the safekeeping and use of all funds and assets of the Company, whether or not in its direct or indirect possession or control. The funds of the Company shall not be commingled with the funds of any other Person and the Managing Member shall not employ such funds in any manner except for the benefit of the Company. All funds of the Company not otherwise invested shall be deposited in one or more fully insured accounts maintained in such federally insured banking institutions as the Managing Member shall determine, and withdrawals shall be made only in the regular course of Company business on such signatures as the Managing Member may, from time to time, determine.

7.4 Reserves.

(A) Beginning at Final Closing (or any earlier date required by the Mortgage Lenders), the Company shall begin to fund monthly deposits into the Replacement Reserve in an amount equal to the greater of (i) the amount required under the Mortgage Loans or (ii) \$569 per apartment unit per year, subject, upon approval from CHFA to increase annually commencing on January 1, 2015 by four percent (4%). The Replacement Reserve shall be used for repairs and replacements to the Property (or in such other manner required by the Mortgage Lenders).

(B) The Company shall establish and fund on or before the date of payment of the Fifth Installment an Operating Reserve in the amount of \$1,000,000 in cash. The Operating Reserve shall be used, with the Consent of the Investment Member, to fund Operating Deficits (or in such other manner required by the First Mortgage Lender) and shall be held by the Company. Upon the later of (i) the tenth anniversary of the Stabilization Date or (ii) the end of the Credit Period (the "Operating Reserve Test Date"), the Special Member and/or the Investment Member shall conduct an analysis to determine, in their sole discretion, the amount of Operating Reserve required to address Operating Deficits that may arise in the event the HAP Contract is terminated or not funded, which such analysis may result in the release of up to \$500,000 from the Operating Reserve (to be treated as Net Cash Flow), so long as (i) amounts remaining in the Operating Reserve after such release are not less than \$500,000, (ii) the Project has achieved an average debt service coverage of not less than 1.25:1.0 on the First Mortgage Loan for the twelve previous consecutive months, (iii) there are no ongoing Operating Deficits; (iv) there have been no material modifications of the HAP Contract nor are any material

modifications to the HAP Contract anticipated and the amount of subsidy provided pursuant to the HAP Contract has not been decreased nor is it expected to be decreased; and (v) no Material Default exists under the Operating Agreement, the Collateral Agreements or any Project Document.

No Operating Reserve funds will be available to pay Operating Deficits arising prior to the third (3rd)-anniversary of the Stabilization Date without the Consent of the Investment Member. So long as the Mortgage Lenders promptly authorize the release of funds from the Operating Reserve to pay an Operating Deficit (if such authorization is required), the Investment Member will permit the Managing Member to utilize amounts on deposit in the Operating Reserve to pay Operating Deficits arising after the third (3rd)-year anniversary of the Stabilization Date before the Managing Member is required to make an Operating Deficit Loan pursuant to the Operating Deficit Agreement.

(C) The Company shall establish and fund on or before the date of payment of Initial Closing, a Working Capital Reserve in the amount of \$716,352 from the proceeds of the Sponsor Loan. The Working Capital Reserve shall be used to fund Property capital repairs/replacements and Operating Deficits. The Working Capital Reserve shall be held by First Mortgage Lender and withdrawals from the Working Capital Reserve shall require the consent of the Special Member. If permitted by the First Mortgage Lender and pursuant to the First Mortgage Loan Documents, the Working Capital Reserve will be released to the Company in equal increments during a three (3)-year period beginning on or about the Stabilization Date. Funds released from the Working Capital Reserve pursuant to the previous sentence shall be distributed in accordance with the priority set forth Section 5.2(A)(2) thru (10).

(D) Subject to the terms of this Agreement, the Company shall establish and maintain such other reserves from Capital Contributions, Cash Flow or Capital Proceeds for repairs, replacements, contingencies and other Company purposes pursuant to this Agreement to the extent required under the Mortgage Loans or otherwise deemed reasonably necessary by the Managing Member with the Consent of the Investment Member.

(E) Reserves shall be invested in federally-insured accounts as reasonably determined by the Managing Member and (except as required otherwise in this Agreement) withdrawals from Reserves shall require the signature of the Managing Member.

7.5 Tax Elections; Closing of Company Books at Initial Closing. All elections required or permitted to be made by the Company under the Code, including without limitation, elections with respect to Tax Credits, shall be made by the Tax Matters Partner with the Consent of, or at the direction of, the Investment Member. The Company shall not (i) make any election provided by Code Sections 42 or 754 or (ii) acquiesce in any adjustment to the basis of Company assets pursuant to Code Section 108(c) without the Consent of the Investment Member. Upon the request of the Investment Member, the Tax Matters Partner shall cause the Company to file an election under Code Section 754 to provide for an optional adjustment to the basis of the Company assets and/or acquiesce in an adjustment to the basis of Company assets pursuant to Code Section 108(c). Notwithstanding the possible future applicability of the provisions of Code Section 761(a), no election shall be made by the Company to be excluded from the application of the provisions of Subtitle A, Chapter 1, Subchapter K of the Code without the Consent of all

Members. The Managing Member will cause the Company to elect to be treated as a partnership for federal income tax purposes throughout its existence.

VIII. TENURE OF MANAGING MEMBER

8.1 Withdrawal of Managing Member.

(A) The Managing Member may voluntarily withdraw from the Company only with the Consent of the Special Member and the Investment Member. The limitations of this Section 8.1 shall apply notwithstanding any Transfer of an Interest by the Managing Member pursuant to Article IX.

(B) In the event of the involuntary withdrawal of the Managing Member due to death, adjudication of incompetence, Bankruptcy or dissolution, the Managing Member shall immediately cease to be a Managing Member.

8.2 Interest of Withdrawn Managing Member.

(A) Upon the voluntary withdrawal of the Managing Member pursuant to Section 8.1(A), the Managing Member or its representative or estate shall be required to sell all, and the Members shall have the right (but not the obligation) to purchase, all or part of the Interest of such Managing Member at the price determined in accordance with Section 8.2(C). The Members shall exercise the right to purchase, pro rata in accordance with their Interests or in any other proportion agreed upon among them, within 30 days after receipt of Notice of the event giving rise to the right to purchase by giving Notice to the Managing Member or its representative or estate.

(B) If the Members do not elect to exercise their right to purchase any part of the Interest of the withdrawn Managing Member pursuant to Section 8.2(A), such Managing Member or its representative or estate shall remain or become the owner of such part of the Interest. Any retained Interest of a withdrawn Managing Member shall be converted to the Interest of a non-managing member without voting rights.

(C) The price of the Interest pursuant to Section 8.2(A) shall be its Fair Market Value. Such price shall be paid, at the election of the purchaser, either (i) in cash in full within 180 days after the Members receive Notice of the event giving rise to their right to purchase or (ii) in five annual installments, with interest at the Designated Rate, with the first installment payable 180 days after the Members receive Notice of the event giving rise to their right to purchase. All costs of sale shall be borne by the withdrawn Managing Member or its representative or estate.

(D) Upon the involuntary withdrawal of a Managing Member pursuant to Section 8.1(B), its Interest shall be forfeited to the Company.

8.3 Removal of Managing Member.

(A) The Managing Member may be removed by the Investment Member and/or the Special Member for (i) any fraud or malfeasance by such Managing Member or any

Affiliate, (ii) gross negligence or willful misconduct by such Managing Member or any Affiliate, (iii) breach of fiduciary duty or failure to exercise reasonable care by such Managing Member or any Affiliate or (iv) any Material Default.

(B) Upon the removal of the Managing Member pursuant to Section 8.3(A), the Managing Member and its Affiliates shall (i) forfeit the right to receive any fees or distributions earned (but still not paid) before or after such removal and, subject to Section 6.3, any such fees or distributions shall be retained by the Company for such purposes as the Special Member determines; (ii) forfeit its Interest to the remaining Members, pro rata in accordance with their Interests, and/or the Successor Managing Member, as determined by the Special Member; and (iii) immediately and automatically cease to be a manager of the Company under this Agreement and pursuant to the Act.

(C) The Special Member and the Investment Member is each hereby granted an irrevocable power of attorney, coupled with an interest, to execute and deliver all documents on behalf of the Company and/or the Members as necessary or appropriate to implement this Section 8.3.

8.4 Obligations of a Prior Managing Member. If the Managing Member withdraws or is removed from the Company under Sections 8.1, 8.2 or 8.3, it shall (i) remain liable for all obligations and liabilities incurred by it as Managing Member before the effective date of such event, (ii) remain subject to the remedies for breach or default under this Agreement or the Collateral Agreements and (iii) in the case of removal, pay all costs associated with the admission of a Successor Managing Member and be liable for all damages and costs to the Company as a result of such removal. However, any such Managing Member that withdraws or is removed shall be free of and held harmless by the Company against any obligation or liability first incurred on account of the activities of the Company from and after the effective date of such event.

8.5 Successor Managing Member.

(A) A Person may be admitted to the Company as a substitute or additional Managing Member only if the following conditions are satisfied:

(1) The admission of such Person shall have been Consented to by the Special Member and the Investment Member;

(2) The Person shall have accepted and agreed to be bound by all the terms and provisions of this Agreement, by executing a counterpart thereof and such other documents or instruments as may be required or appropriate in order to effect the admission of such Person as a Managing Member;

(3) If the Person is an entity, it shall have provided the Company with evidence satisfactory to Counsel of its authority to become a Managing Member and to be bound by this Agreement; and

(4) Articles evidencing the admission of such Person as a Managing Member shall have been filed for recordation.

(B) A Successor Managing Member shall be liable for all obligations and liabilities incurred by it as a Managing Member after the effective date of its admission. However, unless such Successor Managing Member agrees to the contrary with the Company, it shall be free of, and held harmless by the Company against, any obligation or liability incurred on account of the activities of the Company before the effective date of its admission.

8.6 Remaining Managing Member.

(A) Upon the Bankruptcy, dissolution, removal, death or adjudication of incompetence of a Managing Member that is not the sole Managing Member, the remaining Managing Member(s) shall immediately (i) give Notice to the Investment Member of such Bankruptcy, death, dissolution, removal or adjudication of incompetence, (ii) make such amendments of this Agreement and execute and file for recordation such amendments or documents or other instruments as are necessary to reflect the termination of such Managing Member and (iii) continue the business of the Company (and the Managing Member(s) expressly agrees to so continue the business of the Company).

(B) Upon the Bankruptcy, dissolution, removal, death or adjudication of incompetence of a Managing Member and no Managing Member remains, the Company shall be dissolved unless the Investment Member, within 90 days after receiving Notice of any such event, elects to continue the Company and appoints a Successor Managing Member.

IX. TRANSFER OF INTERESTS

9.1 Transfers.

(A) A Member may Transfer its Interest, in whole or in part, only (i) with the Consent of the Special Member and the Investment Member and (ii) if the requirements of this Article IX are satisfied.

(B) Any attempted Transfer which does not satisfy the requirements of this Article IX shall not be recognized by the Company. The Investment Member and/or the Special Member may transfer its Interest, in whole or in part, without the Consent or approval of the Managing Member or any other party, other than as may be required by HUD or CHFA.

9.2 Voluntary Transfers.

(A) A Managing Member who desires to Transfer his Interest shall first offer to sell his Interest to the Members on the terms and conditions set forth in this Section 9.2.

(B) A Managing Member who desires to Transfer his Interest pursuant to a Bona Fide Offer shall deliver such Bona Fide Offer to the Members. The Members, upon receipt of the offer, shall have the right and option (but not the obligation) to purchase all, but not less than all, of the offered Interest on the same terms and conditions as set forth in the Bona Fide Offer. Such right and option shall be exercised, if at all, by the Members, pro rata in accordance with their Interests or in any other proportion agreed upon among them, within 30 days after receipt of the Bona Fide Offer by giving Notice to the selling Managing Member. If the

Members do not elect to purchase all of the offered Interest, then none of the offered Interest shall be purchased by the Members.

(C) A Managing Member may make a Voluntary Offer to Transfer its Interest by Notice to the Members. The Members, upon receipt of the Voluntary Offer, shall have the right and option (but not the obligation) to purchase all, but not less than all, of the offered Interest on the same terms and conditions as set forth in the Voluntary Offer. Such right and option shall be exercised, if at all, by the Members, pro rata in accordance with their Interests or in any other proportion agreed upon among them, within 30 days after receipt of the offer by giving Notice to the selling Member. If the Members do not elect to purchase all of the offered Interest, then none of the offered Interest shall be purchased by the Members.

(D) If the Members do not purchase the offered Interest pursuant to Sections 9.2(B) or (C), then, for a period of 90 days after the expiration of the Members' right and option to purchase the offered Interest, the selling Managing Member may Transfer the offered Interest pursuant to the Bona Fide Offer or Voluntary Offer, as the case may be, or a Comparable Offer. If the proposed Transfer of the offered Interest is not consummated within such 90-day period, the selling Managing Member may thereafter Transfer the offered Interest only after complying with the requirements of Sections 9.2(B) and (C).

(E) Notwithstanding any terms or conditions contained in the Bona Fide Offer or Voluntary Offer, as the case may be, if the Members elect to purchase the offered Interest pursuant to Sections 9.2(B) or (C), the following terms and conditions shall apply:

(1) The Members shall exercise such right to purchase, pro rata in accordance with their Interests or in any other proportion agreed upon among them;

(2) The selling Managing Member shall deliver all requisite transfer documents to the Members;

(3) The selling Managing Member shall deliver the offered Interest to the Members free and clear of all liens, claims, options, charges, encumbrances or rights of others, other than the rights and obligations established by this Agreement and the Collateral Agreements;

(4) The selling Managing Member shall satisfy the Members that (i) it is the record and beneficial owner of such offered Interest, (ii) it has the right, power and authority to make a Transfer of the offered Interest, (iii) the Transfer of the offered Interest does not violate or constitute a breach of any contract or agreement to which he is a party, (iv) the Transfer of the offered Interest is in compliance with all applicable federal and state securities laws, and (v) such other matters as the Members shall reasonably request; and

(5) All costs of sale, including the costs of compliance with this Section 9.2(E), shall be borne by the selling Member.

9.3 Involuntary Withdrawal by Members.

(A) Upon the death, dissolution, Bankruptcy, insolvency or adjudication of incompetence of a Member (other than the Managing Member), and in the absence of such Member or his representative or estate, as the case may be, having received a Bona Fide Offer to purchase all or part of his Interest pursuant to Section 9.2(B), such Member or his representative or estate shall be required to sell, and the Members shall have the right (but not the obligation) to purchase, all of the Interest of such Member at the price determined in accordance with Section 9.3(D). The Members shall exercise the right to purchase, pro rata in accordance with their Interests or in any other proportion agreed upon among them, within 30 days after receipt of Notice of the event giving rise to the right to purchase by giving Notice to the Member or his representative or estate.

(B) If the Members do not elect to exercise their rights to purchase all of the Interest of the involuntarily withdrawn Member pursuant to Section 9.3(A), the representative or estate of the Member shall become the owner of such Interest.

(C) Subject to the provisions of Section 8.6(B), the death, dissolution, Bankruptcy, insolvency or adjudication of incompetence of a Member shall not dissolve or terminate the Company.

(D) The price of the Interest pursuant to Section 9.3(A) shall be its Fair Market Value. Such price shall be paid, at the election of the purchaser, either (i) in cash in full within 180 days after the Members receive Notice of the event giving rise to their right to purchase or (ii) in five annual installments, with interest at the Designated Rate, with the first installment payable within 180 days after the Members receive Notice of the event giving rise to their right to purchase. All costs of sale shall be borne by the involuntarily withdrawn Member or his representative or estate.

9.4 Additional Transfer Restrictions.

(A) No Transfer of an Interest shall be permitted if such Transfer would (i) cause a violation of any laws, rules or regulations, or would adversely affect the business or reputation of the Company, (ii) result in a violation of federal or state securities laws applicable to the Company, (iii) cause the Company to be treated as an association taxable as a corporation, (iv) result in materially adverse tax consequences to the other Members or (v) violate the terms of (or result in a default or acceleration under) any agreement or commitment binding on the Company.

(B) A Member who desires to Transfer an Interest shall promptly Notify the Company of any proposed Transfer by him so that the Company can Notify the Member that the Transfer complies with this Section 9.4. No Transfer shall occur until the Company Notifies the Member that the Transfer complies with this Section 9.4, and any time limits otherwise applicable under this Agreement shall be extended to the extent necessary to reflect the period of time required by the Company to make the determination pursuant to this Section 9.4(B).

9.5 Substitute Non-Managing Members.

(A) An assignee or successor of the whole or any portion of an Interest of a Member (other than a Managing Member) shall have the right to become a Substitute Non-Managing Member in place of his assignor only if all of the following conditions are satisfied:

(1) The assignor and assignee files a Notice or other evidence of transfer and such other information reasonably required by the Managing Member, including, without limitation, names, addresses and telephone numbers of the assignor and assignee;

(2) The assignee executes, adopts and acknowledges this Agreement, or a counterpart hereto; and

(3) The assignor or assignee pays all costs and fees reasonably incurred or charged by the Company to affect the transfer and substitution, including without limitation the cost of applications to and consents of the Mortgage Lenders (with the exception of the maker of the Sponsor Loan).

(B) The Managing Member may elect to treat an assignee who has not become a Substitute Non-Managing Member as a Substitute Non-Managing Member in the place of his assignor should the Managing Member deem, in its sole discretion, that such treatment is in the best interest of the Company.

(C) If an assignee of a Member does not become a Substitute Non-Managing Member pursuant to Section 9.5, the assignee shall not have any rights to require any information on account of the Company's business or to inspect the Company's books.

X. DISSOLUTION AND LIQUIDATION

10.1 Terms and Dissolution.

(A) The Company shall have perpetual existence, unless the Company is earlier dissolved pursuant to Section 10.1(B).

(B) The Company shall dissolve upon the occurrence of any of the following events:

(1) The expiration of its term pursuant to Section 10.1(A);

(2) An election to dissolve the Company is made in writing by all of the Members;

(3) The sale, exchange or other disposition of the Property or all or substantially all of the property of the Company (provided, however, that if the Company receives a purchase money mortgage in connection with such sale, the Company may continue until such mortgage is satisfied, sold or otherwise disposed of);

(4) Subject to the provisions of Section 8.6(B), the Bankruptcy, dissolution, withdrawal, removal, death or legal incapacity of a Managing Member who is the sole remaining Managing Member; or

(5) Any other event causing dissolution of the Company under the Act.

10.2 Liquidation of Company Assets.

(A) In the event of dissolution and final termination of the Company or liquidation of the Company within the meaning of Treasury Regulation Section 1.704-1(b)(2)(ii)(g) (other than such a liquidation arising solely by reason of termination of the Company under Code Section 708(b)(1)(B)), a full accounting of the assets and liabilities shall be taken, and the assets shall either be (i) distributed in kind or (ii) liquidated, with the Net Capital Proceeds thereof applied in the manner set forth in Section 5.2(B) by the later of (i) the end of the Fiscal Year in which the earlier of final termination or liquidation occurs or (ii) 90 days after the date on which the earlier of termination or liquidation occurs.

(B) The Managing Member shall file all certificates and notices of the dissolution of the Company required by law. The Managing Member shall proceed without any unnecessary delay to sell and otherwise liquidate the Company's assets; provided, however, that if the Managing Member shall determine that an immediate sale of part or all of the Company property would cause undue loss to the Members, the Managing Member may defer the liquidation except (i) to the extent provided by the Act, (ii) as required by Section 10.2(A) or (iii) as may be necessary to satisfy the debts and liabilities of the Company to Persons other than the Members. Upon the complete liquidation and distribution of the Company assets, the Members shall cease to be Members of the Company, and the Managing Member shall execute, acknowledge and cause to be filed all certificates and notices required by the law to terminate the Company.

(C) Upon the dissolution of the Company pursuant to Section 10.1, the Accountants shall promptly prepare, and the Managing Member shall furnish to the Investment Member, a statement setting forth the assets and liabilities of the Company. Promptly following the complete liquidation and distribution of the Company's assets, the Accountants shall prepare, and the Managing Member shall furnish to the Investment Member, a statement showing the manner in which the Company's assets were liquidated and distributed.

(D) If an event described in Section 8.1 has occurred with respect to the last remaining Managing Member upon, before or as a result of the dissolution, termination or liquidation of the Company or events giving rise thereto, then, subject to Section 8.5, a Person appointed by the Investment Member shall carry out such duties.

10.3 Purchase Option.

(A) During the twelve (12)-month period immediately following the expiration of the Compliance Period, the Managing Member shall have the right during this twelve (12)-month period to purchase the Interests of the Non-Managing Members for a price equal to the greater of (i) all federal, state and local taxes attributable to such sale or (ii) the amount the Non-Managing Members would have received pursuant to 5.2(B) if the Property was sold at "fair market value" and such proceeds were applied in accordance with this Agreement. If the Managing Member elects to purchase the Interests of the Investment Member or the Special

Member pursuant to this Section 10.3 the Managing Member shall be required to purchase the Interests of both the Investment Member or the Special Member.

For purposes of this Section 10.3, the "fair market value" of the Property shall be determined by two independent MAI appraisers with at least five years of relevant experience, one selected by the Managing Member and one selected by the Non-Managing Members, at the expense of each respective Member. If such appraisers are unable to agree on the value of the Property, then: (i) if the difference between the two appraisals is ten percent (10%) or less, the "fair market value" shall be determined by averaging the two appraised values; and (ii) if the difference between the two appraisals is greater than ten percent (10%) and the Members cannot agree upon the "fair market value" within twenty (20) days of the Non-Managing Members' receipt of the Managing Member's appraisal, then a third appraisal conducted by a MAI appraiser mutually acceptable to the Members shall be obtained (the cost of such third appraisal shall be split equally between the Managing Member and the Investment Member). The third appraisal shall be delivered to the parties for review not later than ninety (90) calendar days following the selection of the mutually agreed-upon appraiser. After the review of such third appraisal is completed by the Investment Member and the Managing Member, the Members shall resume negotiations to agree upon the Property's fair market value, but if they fail to agree within 10 days, then the Property's fair market value set forth in the third appraisal shall be the "fair market value", except as follows: (i) if the fair market value contained in the third appraisal is greater than the higher of the first two appraisals, then the higher of the first two appraisals shall be the "fair market value", and (ii) if the fair market value contained in the third appraisal is less than the lower of the first two appraisals, then the lower of the first two appraisals shall be the "fair market value". In determining the fair market value pursuant to this Section 10.3, the appraisers shall: (i) take into account the rent and occupancy restrictions affecting the Property which are set forth in the Code or in the Project Documents and shall take into account any tax benefits or other subsidy or financing benefits available to the Property, (ii) utilize ordinary assumptions typically utilized by appraisers when appraising properties providing affordable housing in a manner similar to the Property (all assumptions utilized by any appraiser retained pursuant to this Section 10.3 shall be acceptable to the Investment Member) and (iii) take into account all pre-payment restrictions on the Mortgage Loans.

XI. AMENDMENTS AND MEETINGS

11.1 Amendment Procedure.

(A) Amendments to this Agreement may be proposed by any Member. A proposed amendment will be adopted and effective only if it receives the Consent of all of the Members.

(B) Within 10 days after the making of any proposal to amend this Agreement, the Managing Member shall give Notice to all Members of such proposal (along with the text of the proposed amendment and a statement of its purposes). Any matter requiring the Consent of the Members may be considered at a meeting or by written ballot pursuant to Section 11.2.

(C) Notwithstanding the provisions of Section 11.1(A):

(1) No amendment shall alter the purposes of the Company, or amend Section 11.1, without the Consent of all Members; and

(2) Except as expressly provided in Section 4.2 or otherwise in this Agreement, no amendment shall (i) increase the liability or change the Capital Contributions required by a Member, (ii) decrease the rights and interest of a Member in Allocations, Net Cash Flow or Net Capital Proceeds, (iii) alter voting rights of a Member or (iv) affect the rights of a Member in respect of liquidation of the Company, without the Consent of the Member affected.

11.2 Meetings and Voting.

(A) Meetings of the Members for any purposes may be called by a Managing Member and shall be called by the Managing Member upon a request by the Investment Member. Notice of any meeting shall be sent to the Members within 10 days after receipt of such a request. The request shall state the purpose of the proposed meeting and the matters proposed to be acted upon. The meeting shall be held at a location within the Boston, Massachusetts metropolitan area selected by the Investment Member. In addition, the Managing Member may, and, upon request by the Investment Member, the Managing Member shall, submit any matter (upon which the Members are entitled to act) to the Members for a vote by written Consent without a meeting. The Managing Member shall furnish the names and addresses of all Members, upon written request, to the Investment Member.

(B) Notice of any meeting shall be given either personally or by mail, not less than 15 days nor more than 60 days before the date of the meeting, to each Member at his record mailing address. The Notice shall be in writing, and shall state the place, date, hour, and purpose of the meeting. Included with the Notice shall be a detailed statement of the action proposed including a verbatim statement of the wording of any resolution proposed for adoption by the Members and of any proposed amendment to this Agreement. If a meeting is adjourned to another time or place, and if any announcement of the adjournment of time or place is made at the meeting, it shall not be necessary to give Notice of the adjourning meeting. The presence in person or by proxy of a majority in Interest of the Members shall constitute a quorum at all meetings of the Members; provided, however, that if there is no quorum present, holders of a majority in Interest of the Members present or represented may adjourn the meeting from time to time without further Notice until a quorum is obtained. No Notice of the time, place, or purpose of any meeting of Members need be given to any Member who attends in person or is present by proxy (except when a Member attends a meeting for the express purposes of objecting at the beginning of the meeting to the transaction of any business on the ground that the meeting is not lawfully called or conveyed), or to any Member entitled to notice who, in a writing executed and filed with the records of the meeting, either before or after the time of the meeting, waives the Notice requirement.

XII. STATUS OF NON-MANAGING MEMBERS

12.1 Management Restrictions.

(A) The Investment Member and the Special Member shall not (i) have the power or authority to bind the Company or to sign any agreement or document in the name of the

Company, except as expressly provided otherwise in this Agreement or (ii) have any power or authority with respect to the Company except as expressly provided by this Agreement.

(B) Notwithstanding the provisions of Section 12.1(A), the Investment Member and Special Member shall have the right to:

(1) Vote in accordance with, and on the terms set forth in, this Agreement upon any matter upon which they are entitled to vote pursuant to this Agreement;

(2) In the event of a dissolution of the Company, wind up the Company if there is no remaining Managing Member who has not dissolved the Company wrongfully or is not otherwise in breach of this Agreement;

(3) In the event of a dissolution of the Company, compel a court to enter a decree ordering the winding up of the Company, if such a decree is necessary to protect any parties in interest; and

(4) Elect to continue the business of the Company and elect one or more Successor Managing Member after the Managing Member ceases to be Managing Member for any reason when there is no surviving or remaining Managing Member.

12.2 Limitation on Liability.

(A) The liability of the Investment Member and the Special Member shall be limited to their Capital Contributions as and when they are payable under the provisions of this Agreement. The Investment Member and the Special Member shall not (i) have any other liability to contribute money to the Company, (ii) be personally liable for any obligations of the Company, or (iii) be obligated to make loans to the Company.

(B) The Company and Managing Member shall indemnify and hold harmless the Investment Member, and the Special Member and their Affiliates against any loss, damage, liability, cost or expense (including reasonable attorney's fees) incurred by them in connection with the Company in their dealings with Persons or entities which are not Members or Affiliates provided that the same were not the result of their gross negligence or willful misconduct.

(C) The Investment Member is a limited partnership. No partner of the Investment Member shall have any personal liability for the payment or performance of any of its obligations under this Agreement, and all persons dealing with the Investment Member shall look solely to their respective assets for the satisfaction of any such obligations.

XIII. MISCELLANEOUS PROVISIONS

13.1 Applicable Law. This Agreement, and the application or interpretation thereof, shall be governed exclusively by its terms and by the law of the State of Connecticut.

13.2 Binding Agreement. This Agreement shall be binding upon the Members and their heirs, executors, personal representatives, successors and assigns.

13.3 Counterparts. This Agreement may be executed in several counterparts, which shall be treated as originals for all purposes, and all so executed shall constitute one agreement, binding on all of the Members, notwithstanding that all Members are signatory to the original or the same counterpart. Any such counterpart shall be admissible into evidence as an original hereof against the Person who executed it.

13.4 Creditors. None of the provisions of this Agreement shall be for the benefit of or enforceable by any creditors of the Company.

13.5 Entire Agreement. This Agreement (and the Collateral Agreements) contains the entire understanding among the Members hereto and supersedes all prior written or oral agreements among them respecting the within subject matter, unless otherwise provided herein (or in the Collateral Agreements). There are no representations, agreements, arrangements or understandings, oral or written, among the Members relating to the subject matter of this Agreement which are not fully expressed herein (or in the Collateral Agreements).

13.6 Further Assistance. Each Member shall execute and deliver all documents, provide all information and take or refrain from all such action as may be necessary or appropriate to achieve the purposes of this Agreement and the Collateral Agreements.

13.7 Government Requirements. Any reference in this Agreement, by name or number, to a government department, agency, statute, regulation, program or form shall include any successor or similar department, agency, statute, regulation, program or form.

13.8 Other Activities. Except as expressly provided otherwise in this Agreement or the Collateral Agreements, any of the Members or their Affiliates may engage in, or possess an interest in, other business ventures of every nature and description, independently or with others, including, without limitation, real estate business ventures, whether or not such other enterprises shall be in competition with any activities of the Company; and neither the Company nor the other Members shall have any right by virtue of this Agreement in and to such independent ventures or to the income or profits derived therefrom.

13.9 Remedies. Except as expressly limited under this Agreement, the respective rights and obligations of the Members under this Agreement shall be enforceable at law or in equity. Each Member acknowledges that damages may be an inadequate remedy for breach or threat of breach of this Agreement and, thus, the rights and obligations of the Members under this Agreement shall be enforceable by specific performance, injunction or other equitable remedy.

13.10 Representations and Warranties. The representations and warranties by the Managing Member under the Investment Agreement are incorporated in this Agreement by reference. All representations and warranties herein shall survive the dissolution and final liquidation of the Company.

13.11 Title to Property. All property owned by the Company, whether real or personal, tangible or intangible, shall be deemed to be owned by the Company as an entity, and no Member, individually, shall have any ownership of such property. The Company shall hold the Property and other material assets only in the Company's own name, and may hold nonmaterial

assets in its own name or in the name of its nominee, which nominee may be one or more individuals, corporations, limited Companies, trusts or other entities.

13.12 Waiver. No consent or waiver, express or implied, by any Member to or of any breach or default by any other Member in the performance of this Agreement shall be construed as a consent or waiver to or of any subsequent breach or default in the performance by such other Member of the same or any other obligations hereunder.

13.13 Waiver of Partition and Dissolution. Each of the Members irrevocably waives during the term of the Company any right that it may have to (i) maintain any action for partition with respect to any property of the Company or (ii) commence an action seeking dissolution of the Company unless expressly provided otherwise in this Agreement.

XIV. CONNECTICUT HOUSING FINANCE AUTHORITY PROVISIONS

Notwithstanding any other provisions of this Agreement, it is hereby agreed that the following shall apply as long as any loans made by CHFA to the Company are outstanding:

(A) the Company is organized to provide housing;

(B) every Member and/or manager of the Company shall be deemed, by acceptance of a beneficial interest in the Company or by executing the Agreement and any amendments thereto, to have agreed that he or it at no time shall receive from the Company any return in excess of the face value of the investment attributable to his respective interest plus cumulative dividend payments not in excess of the return on equity permitted by the provisions of Chapter 134 of the Connecticut General Statutes, as determined in accordance with the terms of the Regulatory Agreement between the Company and CHFA, computed from the initial date upon which moneys were paid or property delivered in consideration for the interest, and upon the dissolution of the Company any surplus in excess of such amounts shall be paid to CHFA; "surplus" as used herein shall not be deemed to include any increase in assets of any recipient of a mortgage loan from CHFA under Chapter 134 of the Connecticut General Statutes by reason of reduction of mortgage, by amortization or similar payments, or realized from the sale or disposition of any assets of such recipient, to the extent such surplus can be attributed to any increase in market value of any real property or tangible personal property accruing during the period the assets were owned and held by such recipient;

(C) the operations of the Company may be supervised by CHFA, and the Company shall enter into such agreements with CHFA as CHFA from time to time requires providing for the regulation by CHFA of the planning, development and management of any housing undertaken by the Company, and the disposition of the property and franchises of the Company;

(D) CHFA shall have the power to appoint a managing agent of the Company, notwithstanding any other provisions of this Agreement or any other provisions of law, if:

(1) CHFA determines that the loan or advance made to the Company is in jeopardy of not being repaid;

(2) CHFA determines that the proposed housing project for which the loan or advance was made is in jeopardy of not being constructed;

(3) CHFA determines that the Company is in violation of any rules, regulations or procedures promulgated by CHFA under the provisions of Chapter 134 of the Connecticut General Statutes;

(4) CHFA determines that the Company is in violation of any agreements entered into with CHFA providing for regulation by CHFA of the planning, development and management of any housing undertaken by the Company or the disposition of the property and franchises of the Company; or

(5) CHFA determines that some part of the net income or earnings of the Company, in excess of that permitted by other provisions of Chapter 134 of the Connecticut General Statutes, shall inure to the benefit of any private individual, firm, corporation, Company or association;

(E) No assignment, transfer or sale of a Company Interest, or any portion thereof or any interest therein, or any interest in a Member or manager, or a substitution of a Member or manager, or removal of a Managing Member or substitute thereof may be made without the prior written consent of CHFA, and no Member may be admitted, and no manager of the Company may be appointed, to the Company without the prior written approval of CHFA;

(F) no actions shall be taken and/or performed by the Company or the Members unless said actions are in compliance with the promulgated regulations, procedures and requirements of CHFA;

(G) there shall be no further amendments of this Agreement without the prior written approval of CHFA;

(H) the Company shall not be voluntarily terminated, dissolved, or substantially all of the assets sold without the prior written approval of CHFA;

(I) the Company is and shall be subject to all of the terms, provisions, covenants, agreements, interests, conditions and restrictions set forth in the documents evidencing and/or securing the loan or loans made, or to be made, by CHFA to the Company; and to the extent that there are any inconsistencies between the provisions of the documents evidencing and/or securing the loan(s) made by CHFA and the provisions of this Agreement (and/or any exhibits hereto), the terms and provisions of the documents evidencing and/or securing the loan(s) made by CHFA shall take precedence and shall control;

(J) the Managing Member (and each of them if more than one), on behalf of the Company, is authorized to execute and deliver all documents and items, and to take all action, as may be necessary or required in order to obtain and/or maintain the loan or loans made, or to be made, by CHFA to the Company, but consent of the Investment Member shall be required prior to execution and delivery of any documents entered into after the date of this Agreement;

(K) the Members hereby acknowledge the provisions of the loan documents evidencing and/or securing the loan or loans made, or to be made, by CHFA to the Company, including, without limitation, the Assignment of Capital Contributions and the Capital Contributions Escrow and Disbursement Agreement. The Members acknowledge that the Company's right to receive Capital Contributions hereunder has been assigned to CHFA pursuant to the Assignment of Capital Contributions executed by the Company in favor of CHFA. The Members further acknowledge that because the Project is financed in part by CHFA, the Company is subject to the provisions of CHFA's loan documents and the applicable provisions of Chapter 134 of the Connecticut General Statutes as the same may be amended from time to time.

XV. HUD PROVISIONS

15.1 HUD Consent. Notwithstanding any other provisions herein, as long as the Department of Housing and Urban Development ("HUD") is the insurer or holder of a note or notes secured by a mortgage or mortgages on the multifamily rental housing project known as Country Village Apartments, located in Waterbury, Connecticut, FHA No. 017-35280 (the "Project"), the following provisions shall be in effect:

(A) If any of the provisions of this Agreement, as amended, or the Company's articles of organization, as amended (together the "Organizational Documents"), conflict with the terms of the note; mortgage, security agreement, or any HUD Regulatory Agreement(s) executed in connection therewith ("collectively, the HUD Loan Documents"), the provisions of the HUD Loan Documents will control. Notwithstanding the foregoing, in the event of any conflict between the Connecticut Housing Finance Agency Provisions set forth in Section XIV above and the HUD Loan Documents, the provisions of Section XIV will control.

(B) No provision required by HUD to be inserted into the Organizational Documents may be amended without prior HUD approval.

(C) No provision in the Organizational Documents that results in any of the following will have any force of effect without the prior written consent of HUD:

- (1) Any amendment that modifies the term of the Company;
- (2) Any amendment that activates the requirement that a HUD previous participation certification be obtained from any additional person or entity;
- (3) Any amendment that in any way affects the HUD Loan Documents;
- (4) Any amendment that would authorize any person or entity other than the Managing Member or pre-approved manager to bind the Company for all matters concerning the project which require HUD's consent or approval;
- (5) A change in the Managing Member or pre-approved Manager of the Company;

(6) Any change in a guarantor of any obligation to HUD.

(D) The Company is authorized to execute the HUD Loan Documents and to secure a loan to be insured by HUD.

(E) Any incoming member must, as a condition of receiving an interest in the Company, agree to be bound by the HUD Loan Documents to the same extent and on the same terms as the other member that it is replacing.

(F) Upon any dissolution, no title or right to possession and control of the Project, and no right to collect the rents from the Project, shall pass to any person who is not bound by the HUD Regulatory Agreement in a manner satisfactory to HUD.

(G) Each of the members, managers, officers and directors and any assignee of a member shall be liable in their individual capacities to HUD for:

(1) Funds or property of the Project coming into its possession, which by the provisions of the HUD Regulatory Agreement, such person or entity is not entitled to retain;

(2) His/her/its own acts and deeds, or acts and deeds of others which he/she/it has authorized, in violation of the provisions of the HUD Regulatory Agreement;

(3) The acts and deeds of affiliates, as defined in the HUD Regulatory Agreement, which the person or entity has authorized in violation of the provisions of the HUD Regulatory Agreement; and

(4) As otherwise provided by law.

(H) The Company shall remain a single asset entity and may not voluntarily be dissolved or converted to another form of entity without the prior written approval of HUD.

(I) The Company has designated Moshe Eichler as its official representative for all matters concerning the Project which require HUD consent or approval. The signature of this person will bind the Company in all such matters. The Company may from time to time appoint new representatives to perform this function, but within three (3) business days of doing so, will provide HUD with written notification of the name, address and telephone number of the new representative. When a person, other than the person identified above has full or partial authority of management of the Project, the Company will promptly provide HUD with the name of that person and the nature of that person's management authority.

(J) The sole purpose of the Company is to acquire, operate, rehabilitate, construct, lease, and/or own the Project.

(K) Any indemnification of the members, managers, officers and directors provided by the Company under the Agreement shall be limited to that required by state law, to liability insurance coverage or distribution approved by HUD from residual receipts or surplus cash.

by HUD. (L) No provision of this Article XI shall be amended without prior approval

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

[SIGNATURES ON FOLLOWING PAGES]

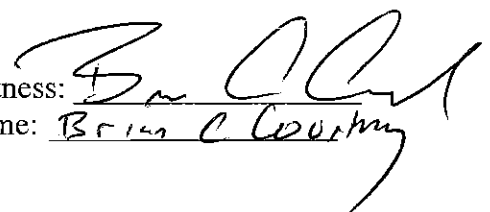
* * *

SIGNATURE PAGE TO
AMENDED AND RESTATED
OPERATING AGREEMENT
(dated as of May 1, 2013)

COLONIAL COUNTRY LLC
as Managing Member

By: 

Name: Moshe Eichler
Title: Manager

Witness: 

Name: Brian C. Country

* * *

SIGNATURE PAGE TO
AMENDED AND RESTATED
OPERATING AGREEMENT
(dated as of May 1, 2013)

**STRATFORD COUNTRY VILLAGE
INVESTORS LIMITED PARTNERSHIP**
as Investment Member

By: **SCG Capital Corp.**, its sole general partner

By: _____

Name: Benjamin D. Mottola

Title: President

Witness: _____

Name: _____

Alexander Kasperak
Alexander Kasperak

* * *

SIGNATURE PAGE TO
AMENDED AND RESTATED
OPERATING AGREEMENT
(dated as of May 1, 2013)

STRATFORD SLP, INC.
as Special Member

By: 

Name: Benjamin D. Mottola
Title: President

Witness: 

Name: Alexandra Kasperzak

Exhibit 1

SCHEDULE OF MEMBERS

Name and Address	Percentage Interest	Capital Contribution
Managing Member: Colonial Country LLC 1241 Main Street Bridgeport, Connecticut 06604	0.01%	\$100
Investment Member: Stratford Country Village Investors Limited Partnership c/o Stratford Capital Group, LLC 100 Corporate Place, Suite 404 Peabody, MA 01960 Attn: Benjamin D. Mottola Fax: 978-535-1141	99.98%	*\$10,263,000
Special Member: Stratford SLP, Inc. c/o Stratford Capital Group, LLC 100 Corporate Place, Suite 404 Peabody, MA 01960 Attn: Benjamin D. Mottola Fax: 978-535-1141	0.01%	\$10.00

* See Section 4.2

Low-Income Housing Credit Allocation and Certification

OMB No. 1545-0988

▶ Information about Form 8609 and its separate instructions is at www.irs.gov/form8609.

Part I Allocation of Credit

Check if: Addition to Qualified Basis Amended Form

A Address of building (do not use P.O. box) (see instructions) 545 Park Avenue East Orange, NJ 07017	B Name and address of housing credit agency New Jersey Housing & Mortgage Finance Agency 637 S Clinton Ave PO Box 18550 Trenton, NJ 08611-1811
C Name, address, and TIN of building owner receiving allocation Prospect Park Apartments Urban Renewal, LLC 86 Rt. 59 E Spring Valley, NY 10977 TIN ▶ 352506018	D Employer identification number of agency 22 1838278 E Building identification number (BIN) NJ1560001

1a Date of allocation ▶ 00/00/0000 b Maximum housing credit dollar amount allowable	1b	473,970.00
2 Maximum applicable credit percentage allowable (see instructions)	2	3.22 %
3a Maximum qualified basis	3a	14,719,550.00
b If the eligible basis used in the computation of line 3a was increased, check the applicable box and enter the percentage to which the eligible basis was increased (see instructions) <input type="checkbox"/> Building located in the Gulf Opportunity (GO) Zone, Rita GO Zone, or Wilma GO Zone <input type="checkbox"/> Section 42(d)(5)(B) high cost area provisions	3b	1 00.00 %
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-.)	4	57.63 %
5 Date building placed in service ▶ 01/01/2016		
6 Check the boxes that describe the allocation for the building (check those that apply): a <input type="checkbox"/> Newly constructed and federally subsidized b <input type="checkbox"/> Newly constructed and not federally subsidized c <input type="checkbox"/> Existing building d <input checked="" type="checkbox"/> Sec. 42(e) rehabilitation expenditures federally subsidized e <input type="checkbox"/> Sec. 42(e) rehabilitation expenditures not federally subsidized f <input type="checkbox"/> Not federally subsidized by reason of 40-50 rule under sec. 42(i)(2)(E) g <input type="checkbox"/> Allocation subject to nonprofit set-aside under sec. 42(h)(5)		

Signature of Authorized Housing Credit Agency Official—Completed by Housing Credit Agency Only

Under penalties of perjury, I declare that the allocation made is in compliance with the requirements of section 42 of the Internal Revenue Code, and that I have examined this form and to the best of my knowledge and belief, the information is true, correct, and complete.

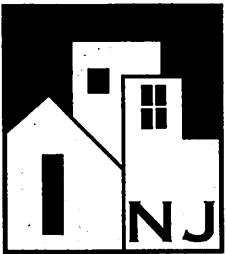
 Signature of authorized official	Anne H. Hamlin TITLE: Director of Tax Credits	03/23/2017 Date
Name (please type or print)		

Part II First-Year Certification—Completed by Building Owners with respect to the First Year of the Credit Period

7 Eligible basis of building (see instructions)	7	14,719,550
8a Original qualified basis of the building at close of first year of credit period	8a	14,719,550
b Are you treating this building as part of a multiple building project for purposes of section 42 (see instructions)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
9a If box 6a or box 6d is checked, do you elect to reduce eligible basis under section 42(i)(2)(B)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
b For market-rate units above the average quality standards of low-income units in the building, do you elect to reduce eligible basis by disproportionate costs of non-low income units under section 42(d)(3)(B)?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
10 Check the appropriate box for each election: Caution: Once made, the following elections are irrevocable.		
a Elect to begin credit period the first year after the building is placed in service (section 42(f)(1)) ▶	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
b Elect not to treat large partnership as taxpayer (section 42(j)(5)) ▶	<input type="checkbox"/> Yes	
c Elect minimum set-aside requirement (section 42(g)) (see instructions) <input type="checkbox"/> 20-50 <input checked="" type="checkbox"/> 40-60	<input type="checkbox"/> 25-60 (N.Y.C. only)	
d Elect deep rent skewed project (section 142(d)(4)(B)) (see instructions)	<input type="checkbox"/> 15-40	

Under penalties of perjury, I declare that I have examined this form and accompanying attachments, and to the best of my knowledge and belief, they are true, correct, and complete.

 Signature	35-2506018 Taxpayer identification number	3/31/17 Date
Name (please type or print)		
Tax year		



HMFA

Charles A. Richman
Chairman

Anthony L. Marchetta
Executive Director

March 23, 2017

Ms. Moshe Eichler
Capital Realty Group Inc.
86 Rt. 59 E
Spring Valley, NY 10977

Re: Prospect Park Apartments
LITC #1560

Dear Ms. Eichler:

Enclosed is your copy of the IRS Form 8609(s), which represents the allocation of Low Income Housing Tax Credits to the subject project. The original of this form must be filed, after your completion of Part II, with the Internal Revenue Service (IRS). *(Note: Be sure to make copies of the signed IRS Form 8609(s), as a copy must be filed each year with federal tax returns.)*

Within thirty days of your completion of Part II of the Form 8609(s) and filing same with the Internal Revenue Service, completed copies must be mailed to **Bruce Yellin, Tax Credit Analyst**, at the Agency for its records. Failure to return the completed forms to the compliance monitoring staff within the required timeframe is a form of noncompliance which must be reported by the Agency to the Internal Revenue Service.

Please keep in mind that the following representations made in the project's application have been formalized in the deed restriction placed on the project, and will be monitored for the term of the compliance period:

Federal Set-Aside:	40% at 60%
Applicable Fraction:	100%

As a reminder, NJHMFA has adopted the following standardized compliance forms as recommended by the National Council of State Housing Agencies: "Certification of Zero Income", "Tenant Income Certification", "Student Verification", "Under \$5,000 Asset Certification" and "Employment Verification". All New Jersey tax credit properties must use these forms. For your convenience, a copy of these forms can be found at the NJHMFA website: "<http://www.state.nj.us/dca/hmfa/txcredit/newcompliance.htm>".

If you have any questions, please feel free to contact the Tax Credit Division at (609) 278-7629.

Sincerely,

Bryan Mason
Tax Credit Program Administrator

NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY

637 South Clinton Avenue ^ P.O. Box 18550 ^ Trenton, NJ 08650-2085

TELEPHONE: (609) 278-7400 ^ WEB: www.njhousing.gov



RubinBrown LLP
*Certified Public Accountants
& Business Consultants*

One North Brentwood
Saint Louis, MO 63105

T 314.290.3300
F 314.290.3400

W rubinbrown.com
E info@rubinbrown.com

* * * * *

CAPITAL REALTY GROUP INC

Instructions for Filing Form 8609

* * *

Signature . . .

The original forms should be signed by an authorized partner where indicated.

Filing . . .

Please file forms as soon as possible with:

Dept of the Treasury
Internal Revenue Service
Philadelphia PA 19255-0549

Low-Income Housing Credit Allocation and Certification

OMB No. 1545-0988

▶ Information about Form 8609 and its separate instructions is at www.irs.gov/form8609.

Part I Allocation of Credit

Check if: Addition to Qualified Basis Amended Form

A Address of building (do not use P.O. box) (see instructions) 545 Park Avenue East Orange, NJ 07017	B Name and address of housing credit agency New Jersey Housing & Mortgage Finance Agency 637 S Clinton Ave PO Box 18550 Trenton, NJ 08611-1811
C Name, address, and TIN of building owner receiving allocation Prospect Park Apartments Urban Renewal, LLC 86 Rt. 59 E Spring Valley, NY 10977 TIN ▶ 352506018	D Employer identification number of agency 22 1838278 E Building identification number (BIN) NJ1560001

1a Date of allocation ▶ 00/00/0000 b Maximum housing credit dollar amount allowable	1b	418,978.00
2 Maximum applicable credit percentage allowable (see instructions)	2	3.22 %
3a Maximum qualified basis	3a	13,011,749.00
b If the eligible basis used in the computation of line 3a was increased, check the applicable box and enter the percentage to which the eligible basis was increased (see instructions). <input type="checkbox"/> Building located in the Gulf Opportunity (GO) Zone, Rita GO Zone, or Wilma GO Zone <input type="checkbox"/> Section 42(d)(5)(B) high cost area provisions	3b	1.00 %
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-.)	4	57.63 %
5 Date building placed in service ▶ 09/10/2015		
6 Check the boxes that describe the allocation for the building (check those that apply): a <input type="checkbox"/> Newly constructed and federally subsidized b <input type="checkbox"/> Newly constructed and not federally subsidized c <input checked="" type="checkbox"/> Existing building d <input type="checkbox"/> Sec. 42(e) rehabilitation expenditures federally subsidized e <input type="checkbox"/> Sec. 42(e) rehabilitation expenditures not federally subsidized f <input type="checkbox"/> Not federally subsidized by reason of 40-50 rule under sec. 42(j)(2)(E) g <input type="checkbox"/> Allocation subject to nonprofit set-aside under sec. 42(h)(5)		

Signature of Authorized Housing Credit Agency Official—Completed by Housing Credit Agency Only

Under penalties of perjury, I declare that the allocation made is in compliance with the requirements of section 42 of the Internal Revenue Code, and that I have examined this form and to the best of my knowledge and belief, the information is true, correct, and complete.

Signature of authorized official	Anne H. Hamlin TITLE: Director of Tax Credits	03/23/2017 Date
	Name (please type or print)	

Part II First-Year Certification—Completed by Building Owners with respect to the First Year of the Credit Period

7 Eligible basis of building (see instructions)	7	13,011,749
8a Original qualified basis of the building at close of first year of credit period	8a	13,011,749
b Are you treating this building as part of a multiple building project for purposes of section 42 (see instructions)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
9a If box 6a or box 6d is checked, do you elect to reduce eligible basis under section 42(i)(2)(B)?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
b For market-rate units above the average quality standards of low-income units in the building, do you elect to reduce eligible basis by disproportionate costs of non-low income units under section 42(d)(3)(B)?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
10 Check the appropriate box for each election: Caution: Once made, the following elections are irrevocable.		
a Elect to begin credit period the first year after the building is placed in service (section 42(f)(1))	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
b Elect not to treat large partnership as taxpayer (section 42(j)(5))	<input type="checkbox"/> Yes	
c Elect minimum set-aside requirement (section 42(g)) (see instructions) <input type="checkbox"/> 20-50 <input checked="" type="checkbox"/> 40-60	<input type="checkbox"/> 25-60 (N.Y.C. only)	
d Elect deep rent skewed project (section 142(d)(4)(B)) (see instructions)	<input type="checkbox"/> 15-40	

Under penalties of perjury, I declare that I have examined this form and accompanying attachments, and to the best of my knowledge and belief, they are true, correct, and complete.

Signature	35-2506018 Taxpayer identification number	3/31/17 Date
Moshe Eichler	2016	
	Tax year	

PROSPECT PARK APARTMENTS URBAN RENEWAL LLC

OPERATING AGREEMENT

This OPERATING AGREEMENT OF PROSPECT PARK APARTMENTS URBAN RENEWAL LLC (this "Agreement"), dated as of June 18, 2014 is (a) adopted by the Managers (as defined below) and (b) executed and agreed to by the Members (as mentioned in exhibit A).

NOW, THEREFORE, in consideration of the premises and mutual covenants stated herein, the parties agree as follows:

ARTICLE I DEFINITIONS

For purposes of this Agreement, the following terms shall have the following meanings:

- 1.1 "Accountants" shall mean the firm of independent certified public accountants designated by the Manager from time to time to serve as the accountants for the LLC.
- 1.2 "Act" shall mean the New Jersey Limited Liability Company Act.
- 1.3 "Agreement" shall mean this Operating Agreement.
- 1.4 "Bankruptcy" shall be deemed to have occurred as to a Person when (i) such Person shall have commenced a voluntary case under the federal bankruptcy laws, as now constituted or hereafter amended or replaced, or under any other applicable federal or state bankruptcy or insolvency law, or (ii) a decree or order for relief under any of such laws shall have been entered by any court having jurisdiction in the premises in respect of such Person, or a receiver, liquidator, assignee, custodian, trustee or similar official shall have been appointed for such Person or any substantial part of such Person's property, or the winding-up or liquidation of such Person's affairs shall have been ordered, and in connection with the foregoing provisions of this clause, or (iii) either such Person shall have applied for or consented to such decree, order or appointment or such decree, order or appointment shall have continued unstated and in effect for a period of 90 days (whether or not consecutive), or (iv) such Person shall have made an assignment for the benefit of creditors, or (v) such Person shall have generally admitted in writing the inability to pay its, his or their debts as such debts become due.

1.5 "Capital Account" shall have the meaning provided in Section 6.6.

1.6 "Cash Flow" shall mean the gross cash proceeds received by the LLC from operations, sales, other dispositions, financing and refinancing or any other source plus any reduction in Reserves previously established, less all cash used to pay LLC expenses, debt payments, capital improvements, replacements, distributions and contingencies all as determined by the Manager. Cash Flow shall not be reduced by depreciation, amortization, cost recovery deductions, or similar allowances.

1.7 "Code" shall mean the Internal Revenue Code of 1986, as it may be amended or replaced from time to time.

1.8 "Defaulting Member" shall have the meaning provided in Sections 5.2, 9.1, 9.2, 10.4.

1.9 "Effective Date" shall mean the date that the certificate of formation for the LLC has been accepted for filing by the Secretary of State of the State of New Jersey.

1.10 "Event of Default" shall have the meaning provided in Section 10.4.

1.11 "Events of Dissolution" shall have the meaning provided in Section 10.1.

1.12 "Excess Cash Flow" shall mean an amount determined for each taxable year of the LLC equal to the excess of the Cash Flow of the LLC for such year minus fifty percent (50%) of the taxable income of the LLC for such year.

1.13 "Indemnified Party" shall have the meaning provided in Section 4.5

1.14 "Indemnifying Party" shall have the meaning provided in Section 4.5.

1.15 "LLC" shall mean the limited liability company formed pursuant to this Agreement.

1.16 "LLC Interest" shall refer to a Member's entire right, title and interest in the LLC and including a Member's share in the Profits and Losses and the right to receive distributions of LLC assets and to participate in the management and affairs of the LLC.

1.17 "Liquidating Trustee" shall have the meaning provided in Section 10.2.

1.18 "Manager" shall have the meaning provided in Section 4.1.

1.19 "Member Nonrecourse Debts" shall have the meaning set forth in Section 8.2(c).

1.20 "Minimum Gain" shall mean the amount of gain that would be recognized by the LLC if property encumbered by a Nonrecourse Debt was transferred in full satisfaction of such debt.

1.21 "Nonrecourse Debt" shall have the meaning provided in Regulation Section 1.704-2(b) (3).

1.22 "Percentage Interests" shall have the meaning set forth in Section 7.1.

1.23 "Person" shall mean any person, firm, corporation, partnership, limited liability company, association, company, trust, estate custodian, nominee or other individual or entity.

1.24 "Profits" and "Losses" shall mean amounts equal to the corresponding items of income, gain, deductions and losses computed for federal income tax purposes, except that: (i) such items of income, gain, deductions and losses with respect to assets contributed by a Member to the LLC or owned by the LLC if and when the Members' Capital Accounts are revalued, shall be computed by

reference to such assets' fair market value, determined by the Members, at the time of such contribution or revaluation, all as provided in the Regulations under Section 704(b) of the Code; (ii) Profits shall also include tax-exempt income of the LLC under code Section 705(a) (1) (B); and (iii) Losses shall include expenditures of the LLC described in Code Section 705(a)(2) (B) and expenditures which are characterized as Section 705(a) (2) (B) expenditures pursuant to Regulation Section 1.704-1(b) or any successor thereto. The Manager shall determine such Profits and Losses with the assistance of the Accountants.

1.25 "Project" shall mean the building, improving, owning, operating and managing the property located at 545 Park Ave, East Orange, NJ 07017

1.26 "Property" shall mean property located at 545 Park Ave, East Orange, NJ 07017

1.27 "Regulations" shall mean the final or temporary regulations promulgated by the Treasury Department under the Code and as then in effect.

1.28 "Regulatory Allocations" shall have the meaning provided in Section 8.3.

1.29 "Reserves" shall have the meaning provided in Section 7.3.

1.30 "Transfer" shall mean any sale, assignment, hypothecation, mortgage, pledge, encumbrance or other transfer or disposition.

ARTICLE II FORMATION

2.1 Formation. The Members join together pursuant to this Agreement as a "limited liability company" as of the Effective Date. The Manager shall file or cause to be filed a certificate of formation, in accordance with the Act. The LLC shall conduct business as a limited liability company pursuant to the terms of this Agreement and the provision of all applicable law.

2.2 Name. The business and affairs of the LLC shall be conducted under the name PROSPECT PARK APARTMENTS URBAN RENEWAL LLC and such name shall be used at all times in connection with the business and affairs of the LLC.

2.3 Office. The LLC shall maintain its principal office at such location as may be designated by the Manager.

2.4 Purpose. The purpose of the LLC shall be to acquire, improve, develop, lease, operate and maintain the Property. The LLC may do anything in furtherance of such purpose. The LLC shall not enter into any business or activity other than as expressly permitted in this Agreement.

2.5 Other Businesses. This Agreement shall not prohibit any Member from conducting other

businesses or activities not related to the Project or the LLC without accounting to the LLC or the other Member, whether or not such other businesses or activities, directly or indirectly, compete with the business of the LLC. Further, no Member shall be liable or accountable to the LLC or the other Member for failure to disclose or make available to the LLC any business opportunity that such Member becomes aware of in its capacity as a Member or otherwise.

2.6 Title of Property. All tangible and intangible, real and personal property owned by the LLC shall be owned by the LLC as an entity and, insofar as permitted by applicable law, no Member shall have any ownership interest in such property in its individual name or right, and each Member's interest in the LLC shall be personal property for all purpose.

2.7 Term. The term of the LLC shall commence on the Effective Date and shall continue until the winding up and liquidation of the LLC in accordance with Section 10.1.

ARTICLE III

CAPITAL CONTRIBUTIONS

3.1 Initial Contributions. Upon the execution of this Agreement, the Members shall make the following initial capital contributions to the LLC (as mentioned in exhibit A)

3.2 Additional Contributions. From time to time after the Effective Date, the Manager, if authorized by a majority of the Members, may request the Members to make additional contributions and the Members shall make all such contributions within ten (10) days after such request.

3.3 No Other Contributions. No Member shall be required to make any additional capital contributions to the LLC not specifically required by Sections 3.1 and 3.2 and shall not be Obligated or required under any circumstances to restore the negative balance in its Capital Account.

3.4 No Interest. The Members shall not receive interest on any capital contribution at any time made to the LLC or on the balance of their respective Capital Account.

ARTICLE IV

MANAGEMENT AND OPERATION

4.1 Manager. Moshe Eichler (the "Manager") is hereby designated, and accepts such designation, as the "manager" of the LLC, and as such, he may also act on behalf of the LLC as Managing Member of the Company, with all authority provided hereunder to the Manager. Except as otherwise provided in this Agreement, the Manager shall be responsible for the operation of the LLC's business in the ordinary course and shall have the authority to do all things, without the consent of the Members, that it determines, in his sole discretion, to be in furtherance of the purpose of the LLC and shall have all rights, powers and privileges available to a "manager" under the Act. The Manager shall have the right to enter into and execute all contracts, documents and other agreements, including any mortgages, on behalf of the LLC and shall thereby fully bind the LLC.

4.2 Payment of Expenses. At all times prior to the termination or dissolution of the LLC, the cash proceeds of the LLC, together with any net reduction in the reserves of the LLC, shall be applied first to the payment of all taxes, debts and other obligations and liabilities (including the interest on and the principal of any loan owing to any Member thereof) of the LLC which are then due and owing, and the establishment of reasonable reserves for contingent and future liabilities and distributions of the LLC, as determined by the Manager.

4.3 Employees. The Manager may from time to time cause the LLC to employ Persons to operate the business of the LLC, including performing any function that the Manager would otherwise perform, and to pay such Person any fee that the Manager determines to be reasonable.

4.4 Compensation. No Member shall be entitled to any fees, commissions or other compensation from the LLC for any services rendered to or performed for the LLC, except as specifically provided in this Agreement or as approved by the Members in accordance with Section 5.2. Notwithstanding the foregoing of this Section 4.4, if authorized by a majority of the Members, the Manager shall be entitled to fees, commissions or other compensation from the LLC for services rendered.(see paragraph 4.1)

4.5 Member Indemnification. Each Member and the Manager (the "Indemnifying Party") shall indemnify the LLC and each other Member and the Manager (the "Indemnified Party") for, and shall hold the Indemnified Party harmless from and against, any and all liability to any Person incurred by the Indemnified Party by reason of any fraudulent, criminal, or grossly negligent act or omission of or breach of this Agreement by such Indemnifying Party or any of the shareholders, officers, agents, employees or Affiliates of such Indemnifying Party, and for, from and against all costs, expense and loss incurred by the Indemnified Party in connection therewith.

4.6 LLC Indemnification. The LLC shall indemnify the Manager and the Members for, and shall hold the Manager and the Members harmless from and against, any liability of the Manager or the Members to any Person arising or incurred in connection with the good faith discharge of the

Manager's or the Members' obligations under this Agreement, except for liability imposed on the Manager or the Member as a result of any fraudulent, criminal, or grossly negligent act or omission of or breach of this Agreement by the Manager or the Members or any of the shareholders, officers, agents or employees of the Manager or the Members.

ARTICLE V

MEMBER'S RIGHTS

5.1 General. Unless as provided herein, except in the capacity as the Manager, the Members shall not act in the name of or as the representative of the LLC and shall not deal with the LLC's assets in any way, and shall not incur any obligation for which the LLC or the other Member will or may be liable, and the Members shall not otherwise bind the LLC or the other Member, and any violation of this sentence shall be deemed to constitute willful misconduct.

5.2 Approval. The Manager and the Members shall not do any of the following without a majority vote of the interest of the Members (other than the Defaulting Members);

- (i) pay fees, commissions or other compensation to a Member, except as otherwise provided in Section 4.4;
- (ii) Increase the Reserves in an amount greater than the increase permitted by Section 7.3;
- (iii) LLC may not dissolve, liquidate, consolidate, merge or sell its assets or amend articles of organization or operating agreement while loan is outstanding.
- (iv) Amend this Agreement;
- (v) Admit any other Members to the LLC;
- (vi) Sell, assign or otherwise transfer or dispose of any of the assets of the LLC, other than in the ordinary course of the LLC's business;
- (vii) Transfer an LLC Interest of any Member, except as provided in Section 9.1; and
- (viii) Resign, dissolve or otherwise withdraw from the LLC, except as provided in Section 9.2.
- (ix) A majority vote of the interest of the members is required to file or consent to the filing of bankruptcy or insolvency petition or otherwise institute insolvency proceedings.

ARTICLE VI

ACCOUNTING AND TAX MATTERS

6.1 Fiscal Year. The fiscal year of the LLC shall be the calendar year.

6.2 Accounting Method. The books and records of the LLC shall be maintained on the method of accounting chosen by the Manager and otherwise in accordance with generally accepted accounting principles consistently applied and shall show all items of income and expense. The Manager shall maintain at the LLC's principal office full and accurate books and records of the LLC's business.

6.3 Reports. The Manager shall provide the Members with a quarterly report of the LLC's operations, which shall include income statements of the LLC for such quarter and for the year to date, by no later than the end of the month succeeding such calendar quarter. All such reports provided by the Manager shall be at the expense of the LLC. Each Member and his respective attorneys, accountants and other advisors, shall have the right at all times during usual business hours and upon reasonable notice, to examine, review, audit, and make copies of the books and records of the LLC. Each Member making such examination, review, audit or copying shall bear all of the expenses incurred by such Member, the other Manager and the LLC in any such examination, review, and audit and copying.

6.4 Tax Status. Each of the Members hereby intends that the LLC be recognized as a partnership for Federal and Pennsylvania tax purposes and will be subject to all provisions of Subchapter K of Chapter 1 of Subtitle A of the Code. The Manager shall use all reasonable efforts to cause the Accountants to prepare and make timely filings of all tax returns and statements which the Accountants determine must be filed on behalf of the LLC with any taxing authority. The Manager shall use all reasonable efforts to provide a copy of such returns and statements to each Member prior to thirty (30) days before the due date (computed without regard to any extensions thereof) and actual filing of such returns.

6.5 Tax Matters Member. The **Manager** shall be the "tax matters partner" for purposes of the Code and shall notify each Member of any audit or other matters of which the Manager is notified or becomes aware.

6.6 Capital Accounts. An account (a "Capital Account") shall be established and maintained for each Member in accordance with Regulations Section 1.704-1(b) of the Code. Accordingly, each Member's Capital Account shall be increased by (i) the amount of money contributed by such Member to the LLC, (ii) the fair market value(as determined by the Members) of property contributed by such Member to the LLC(net of the liabilities secured by such contributed property that the LLC is considered to assume or take subject to under Code Section 752), and (iii) allocations to such Member of Profits; and shall be decreased by (iv) the amount of money distributed to such Member by the LLC, (v) the fair market value(as determined by the Members) of the property distributed to such Member by the LLC(net of liabilities secured by such

distributed property that such Member is considered to assume or take subject to under Code Section 752, and (vi) allocations to such Member of Losses.

ARTICLE VII DISTRIBUTIONS

7.1 Percentage Interests. The Members shall have the Percentage Interests set forth on Exhibit A attached hereto and made a part hereof.

7.2 Distributions of Cash Flow. From time to time, but no less frequently than once a year, the Manager shall cause the LLC to distribute the Cash Flow of the LLC to the Members, which distributions shall be made in proportion to the Members respective positive Capital Account balances, determined immediately prior to such distribution. Notwithstanding the foregoing of this Section 7.2 distributions made upon the termination or dissolution of the LLC shall be made in accordance with Section 10.2 of this Agreement.

7.3 Reserves. Notwithstanding anything to the contrary contained in Section 7.2, the Manager may defer the anticipated distributions of the Excess Cash Flow and use such Excess Cash Flow to establish reserves (the "Reserves") for the payment of LLC expenses, debt payments, capital improvements, replacements, distribution, contingencies and all other purposes all as determined by the Manager.

ARTICLE VIII ALLOCATIONS

8.1 Allocations. Except as otherwise provided in Sections 8.2, 8.3 and 8.4, all items of Profits and Losses shall be allocated to the Members in proportion to their Percentage Interests.

8.2 Regulatory Allocations. The following special allocations shall be made in the following order:

(a) Minimum Gain Chargeback. Notwithstanding any other provision of this Article VIII if there is a net decrease in the Minimum Gain during any LLC fiscal year, each Member who would otherwise have a Capital Account deficit in excess of the amount of such deficit that such Member would be obligated to restore shall be specifically allocated items of Profit for such year (and, if necessary, subsequent years) in an amount and manner sufficient to eliminate such excess deficit as quickly as possible.

(b) Gross Income Allocation. In the event a Member has a deficit Capital Account at the end of any LLC fiscal year which is in excess of the sum of the amount of such deficit that such Member is obligated to restore, then such Member shall be specially allocated items of Profits in the amount of such excess as

quickly as possible, provided that an allocation pursuant to this Section 8.2(b) shall be made only if and to the extent that such Member would have such an excess deficit after all other allocations provided for in Article VIII have been made as if this Section 8.2(b) were not in the Agreement.

(c) Member Loan Nonrecourse Deductions. Any Losses attributable to a Member Loan or any other loan for which one Member (or a Person related, within the meaning of Regulations Section 1.752-4(b), to such Member), but not the other Members, bears the economic risk of loss ("Member Nonrecourse Debts") shall be allocated to the Member that bears the economic risk of loss with respect to such Member Nonrecourse Debt in accordance with Regulations Section 1.704-2(i).

(d) Reallocation of Losses. In the event that the allocations of Losses required by this Article VIII would create or increase a deficit in a Member's Capital Account as of the end of the taxable year in excess of the amount of such deficit that such Member is obligated to restore, then an amount of Losses equal to such excess deficit shall be reallocated from such Member to the other Members to the extent of, but not in excess of, such other Members' positive Capital Account balance, in proportion to the other Members' respective Percentage Interests in the LLC. In the event that no Member has a positive Capital Account balance, then Losses that will create or increase a deficit balance in any Member's Capital Account shall be allocated to the Members in proportion to their Percentage Interests.

(e) Capital Account Deficit. For purposes of this Section 8.2, a Member shall be considered to be obligated to restore a deficit in its Capital Account by: (i) the amount that such Member is required to restore pursuant to this Agreement; (ii) the amount such Member is deemed to be obligated to restore pursuant to the Minimum Gain Chargeback provisions set forth in Regulations Section 1.704-2(g); and (iii) the amount such Member would be deemed obligated to restore if deductions relating to Member Nonrecourse Debts were treated as deductions relating to Nonrecourse Debts and Minimum Gain was computed with respect to Such Member Nonrecourse Debts.

8.3 Curative Allocations. The allocations set forth in Section 8.2(the "Regulatory Allocations") are intended to comply with the requirements of Regulations under Code Section 704(b) and shall be interpreted consistently with such Regulations. Notwithstanding any other provision of this Article VIII, other items of Profits and Losses shall be allocated among the Members so that, to the extent possible without violating the purpose of the Regulatory Allocations, the net amount of Profits and Losses allocated to each Member shall be equal to the net amount that would have been allocated to each such Member if the Regulatory Allocation had not been made.

8.4 Tax Allocations. All items of income, gains, losses and deductions computed for federal income tax purposes shall be allocated to the Members in accordance with the allocation of the corresponding item of Profits and Losses and all other allocations shall be made in proportion to the Members' Percentage Interest. In the event that property with a fair market value that differs from its adjusted tax basis is contributed to the LLC by a Member or owned by the LLC if and when the Members' Capital Accounts are revalued, then the items of income, gain, loss and deduction with respect to such property shall be allocated

in accordance with Section 704(c) of the Code and the Regulations thereunder. All other allocations shall be made in proportion to the Member's Percentage Interests.

8.5 Binding Effect. The Members are aware of the income tax consequences of the allocations made by this Article VIII and hereby agree to be bound by the provisions of this Article VIII in reporting their shares of LLC income, gain, loss and deduction for federal income tax purposes.

8.6 Amendment. The Members shall consent to any amendment to this Article VIII proposed by the Manager which the Manager reasonably determines to be in the best interests of the Members and to be necessary or advisable to comply with the requirements of the Code or the Regulations regarding the allocation of Profits and Losses and all tax items including items of income, gain, deduction, loss or credit.

8.7 Election. The Manager shall make all elections for federal income tax purposes that the Manager reasonably determines to be in the best interest of the members and to be advisable.

ARTICLE IX

TRANSFERS OF LLC INTEREST

9.1 Transfers of LLC Interests. No Member may Transfer all or any part of his LLC Interest (including without limitation any Transfer between Members) unless and until such Transfer has been approved in writing by all of the Members (other than Defaulting Members). Any purported Transfer made in violation of this Section 9.1 shall be void ab initio and without effect. Any Member who purports to Transfer all or any part of its LLC Interest in violation of this Section 9.1 shall be deemed to be a "Defaulting Member."

9.2 Death of a Member. In the event a member becomes deceased, that member may devise his or her interest in the limited liability company to an existing member. In the event however a member dies and does not devise his or her interest to an existing member the deceased member must sell his or her interest within 180 days of death to the surviving members on a pro rata basis of those surviving members that wish to purchase the said interest. The purchase price of the interest shall be in accordance with the following:

The surviving members shall purchase the membership interest from the estate of the deceased member at the "fair market value" based upon their proportional shares of interest in the company. In the event parties cannot agree to "fair market value", within 10 days following the expiration of one said 180 day period; then the estate of the deceased member shall retain an appraiser at its cost and expense to determine the value of the deceased member's interest. The remaining members at their cost and expense shall retain an appraiser to determine the value of the deceased member's

interest within the same time period and within twenty days the two appraisers shall designate a third appraiser whose cost shall be shared equally by the parties who shall determine the fair market value of the deceased member's interest and the surviving members shall purchase the deceased member's interest based upon the average value of the three appraisals. For purposes of this paragraph, an appraiser must be licensed in the State the property lays provided the said State has a licensing requirement for appraisers.

9.3 Transfer amongst Members. In the event a living member wishes to sell his interest, he must first offer it to the Remaining members based on the value set forth above. The remaining members shall have 30 days to accept or reject the offer from the selling member and the remaining members that wish to purchase shall purchase on a pro rata basis. In the event none of the remaining members accept the offer within the said thirty days, the living member wishing to sell his interest may sell the same to an outside third party. Who shall purchase the title subject to the terms of the operating agreement.

9.4 Withdrawals. No Member may resign, dissolve or otherwise withdraw from the LLC unless and until such resignation, dissolution or withdrawal has been approved in writing by all of the Members (other than Defaulting Members). Any other provision of this Agreement to the contrary notwithstanding, if a Member resigns, dissolves or otherwise withdraws from the LLC without such approval, such Member shall thereafter be deemed to be a "Defaulting Member."

ARTICLE X

DISSOLUTION

10.1 Events of Dissolution. The LLC shall continue until dissolved upon the earliest to occur of the following events (the "Events of Dissolution"):

- (i) The sale, exchange, or other disposition by the LLC of the Property; or
- (ii) The agreement of all of the Members (other than Defaulting Members) to terminate and dissolve the LLC; or
- (iii) When there is only one Member.

Notwithstanding the above, the LLC shall not dissolve, liquidate or terminate upon the death, bankruptcy, insolvency, dissolution, liquidation, termination, resignation, removal or incapacity of any member.

In the event of a termination event, a vote of a majority of the member's interest is sufficient to continue the life of the LLC.

10.2 Liquidating Distributions. Upon an Event of Dissolution, a Person designated by the Manager or, if there is no Manager, a Person designated by the Manager (the "Liquidating Trustee") shall take full account of the assets and liabilities of the LLC as of the date of such Event of Dissolution and shall proceed with reasonable promptness to liquidate the LLC's assets and terminate its business. The cash proceeds from such liquidation, together with any other net assets of the LLC, shall be applied first to the payment of items described in Section 4.5, including all items relating to such liquidation and all reserves that the Liquidating Trustee determines, in its discretion, to be appropriate. Amounts remaining after such payments have been made, shall be distributed to the Members in proportion to their respective Capital Account balance determined after giving effect to all allocations of Profits and Losses of the LLC (including Profits and Losses from the sale or disposition of the assets of the LLC in connection with such liquidation).

10.3 Tax Termination. In the event of a termination of the LLC for federal income tax purposes under Section 708 of the Code resulting from the transfer of an interest in the LLC, the LLC shall nevertheless remain in full force and effect hereunder and the Capital Accounts shall govern the constructive liquidation for federal income tax purposes and new Capital Accounts shall be predetermined in accordance with Section 6.6.

10.4 Default. If a Member fails to perform any of his obligations under this Agreement or violates any of the terms of this Agreement (an "Event of Default") the other Members shall have the right (in addition to all of their other rights and remedies under this Agreement, at law or in equity) to give the Member written notice of such default at any time prior to the curing of such default. Unless the Member cures such default within ten (10) days after receipt of such notice, then the Member shall be a "Defaulting Member" hereunder. Notwithstanding the foregoing of this Section 10.4, in the event that a Member violates the terms of this Agreement and such violation constitutes gross negligence or willful misconduct then such Member shall immediately be deemed to be a "Defaulting Member" and shall not be entitled to receive notice of such default or an opportunity to cure such default. If a Member is a Defaulting Member as that term is defined in this Section 10.4 or elsewhere in this Agreement, the other Members may do one or more of the following, at the same or different times, in addition to all of his or their other rights and remedies:

(i) bring any proceeding in the nature of specific performance, injunction or other equitable remedy it being acknowledged by each of the Members that damages at law may be an inadequate remedy for an Event of Default under this Agreement and the Defaulting Member may be compelled to cure such default;

(ii) bring any action at law by or on behalf of the Members or the LLC, individually or collectively, as may be permitted in order to recover damages and the Defaulting Member shall be liable for all damages suffered by the LLC and the other Members as a result of such default; and

(iii) require, by written notice from such other Members to the LLC, that any amount otherwise payable from the LLC to the Defaulting Member shall be paid to the other Members or the Manager in an amount equal to the amount(including damages) owing from the Defaulting Member to the other Members, the Manager or to the LLC.

ARTICLE XI SEPARATENESS COVENANTS

The Members and Manager agree that they and the LLC shall be required to:

- (I) maintain books and records separate from any other person or entity;
- (ii) Maintain its accounts separate from any other person or entity;
- (iii) Not to commingle assets with those of any other entity;
- (iv) Conduct its own business in its own name;
- (v) Maintain separate financial statements;
- (vi) Pay its own liabilities out of its own funds;
- (vii) Observe all partnership formalities;
- (viii) Maintain an arm's-length relationship with its affiliates;
- (ix) Pay the salaries of its own employees and maintain a sufficient number of employees in light of its contemplated business operations;
- (x) Not guarantee or become obligated for the debts of any other entity or hold out its credit as being available to satisfy the obligations of others;
- (xi) Not acquire obligations or securities of its partners, members or shareholders;
- (xii) Allocate fairly and reasonable any overhead for shared office space;
- (xiii) Use separate stationery, invoices and checks;
- (xiv) Not pledge its assets for the benefit of any other entity or make any loans or advances to any entity;
- (xv) Hold itself out as a separate entity;
- (xvi) Correct any known misunderstanding regarding its separate identity; and
- (xvii) Maintain adequate capital in light of its contemplated business operations.

ARTICLE XII

GENERAL

12.1 Notices. Unless otherwise provided in this Agreement, notices shall be deemed given if in writing and either delivered personally (with receipt acknowledged) or mailed certified mail, return receipt requested, postage prepaid, to the Member to whom the notice is to be given at such Member's address as set forth in Exhibit A to this Agreement or such other address designated by such Member to the Manager by notice hereunder.

12.2 Waiver. No consent or waiver, express or implied, by any Member to or of any breach or default by any other Member in the performance by any other Member of his obligations hereunder shall be deemed or construed to be a consent to or waiver of any other breach or default on the performance by such other Member of the same or any other obligation of such Member hereunder. Failure on the part of a Member to complain of any act or failure to act of any other Member or to declare such other Member in default, irrespective of how long such failure continues, shall not constitute a waiver by such Member of its right hereunder.

12.3 Severability. If any of this Agreement or the application thereof to any person or circumstances shall be invalid or unenforceable to any extent, the remainder of this Agreement and the application of such provisions to other persons or circumstances shall not be affected thereby and shall be enforced to the greatest extent permitted by law.

12.4 Binding Agreement. Subject to the restrictions on Transfers set forth herein, this Agreement shall inure to the benefit of and be binding upon the Members and their respective heirs, executors, legal representatives, successors and assigns. None of the provisions of this Agreement is intended to be, nor shall the provisions be construed to be, for the benefit of any third party. Whenever, in this Agreement, a reference to any party or Member is made, such reference shall be deemed to include a reference to the permitted heirs, executors, legal representatives, successors and assigns of such party or Member.

12.5 Additional Remedies. The rights and remedies of any Member hereunder shall not be mutually exclusive, i.e., the exercise of one or more of the provisions hereof shall not preclude the exercise of any other provisions hereof. The respective rights and obligations hereunder shall be enforceable by specific performance, injunction or other equitable remedy, but nothing herein contained is intended to, nor shall it, limit or affect any other rights in equity or any rights at law or by statute or otherwise of any part aggrieved as against the other for breach or threatened breach of any provision hereof, it being the intention of this Section 12.5 to make clear the agreement of the Members that the respective rights and obligations of the Members hereunder shall be enforceable in equity as well as at law or otherwise.

12.6 Further Actions. Each of the Members hereby agrees to hereafter execute and deliver such further instruments and do such further acts and things as may be required or appropriate to carry out the

intent and purpose of this Agreement and which are not inconsistent with the terms hereof.

12.7 Prohibition against Partition. Each of the Members hereby permanently waives and relinquishes any and all rights he may have to cause all or any part of the Property, or any other property or assets of the LLC, to be partitioned, it being the intention of the Members to prohibit any Member from bringing a suit for partition against the other Members, or any of them.

12.8 Incorporation of Exhibits. The terms of the Exhibits to this Agreement are hereby incorporated in this Agreement by references as though such Exhibits were fully set forth in this Agreement.

12.9 Use of Certain Terms. The definitions in Article I apply equally to both the singular and the plural; any pronoun shall include the corresponding masculine, feminine and neuter; the words "include" and "including" shall be deemed to be followed by the phrase "without limitation"; and the terms "hereof" and "herein" shall refer to the particular agreement or document in which such term appears..

12.10 Counterparts. This Agreement may be executed in one or more counterparts with each such counterpart deemed to be an original hereof and all of such counterparts deemed to be one and the same Agreement.

12.11 Entire Agreement. This Agreement contains the entire agreement between the parties hereto with respect to the LLC. No variations, modifications, or changes herein nor any waiver of any provision hereof shall be binding unless set forth in a document duly executed by or on behalf of each of the Members.

12.12 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New Jersey (other than its rules as to conflicts of law to the extent that such rules would result in the application of the laws of some other jurisdiction).

The Company acknowledges that any review of the provisions of this Operating Agreement by the New Jersey Housing and Mortgage Finance Agency ("NJHMFA") is performed in accordance with its responsibility as Lender and is intended only to assure that the Company is validly formed according to law, with the legal authority to borrow the funds which will constitute the NJHMFA Mortgage Loan and to operate the Property securing the NJHMFA Mortgage Loan. Notwithstanding any other provisions herein, the Company acknowledges and agrees that as a condition of obtaining the NJHMFA Mortgage Loan, that the NJHMFA statutes, rules and regulations and all the financing documents in connection with the NJHMFA Mortgage Loan, are applicable to the Company and the Property securing the NJHMFA Mortgage Loan. The Company further acknowledges that, except as contained in this Section, the

NJHMFA makes no representations express or implied, as to this Operating Agreement; and the Company and the Members shall not rely upon the NJHMFA review of this Operating Agreement.

IN WITNESS WHEREOF, following adoption of this Operating Agreement of PROSPECT PARK APARTMENTS URBAN RENEWAL LLC by the Manager, the Members have executed this Operating Agreement of PROSPECT PARK APARTMENTS URBAN RENEWAL LLC as of the date first set forth above.

MANAGER:



MOSHE EICHLER

MEMBERS:



MOSHE EICHLER, managing Member of Prospect Park Apartments CRG LLC

EXHIBIT A

<u>Member Name and Address</u>	<u>Number of Interests</u>	<u>Initial Capital Contribution</u>
Prospect Park Apartments CRG LLC	1,000	\$1,00.00
Totals	1,000	\$1,000.00

**PROSPECT PARK APARTMENTS URBAN RENEWAL, LLC,
A NEW JERSEY LIMITED LIABILITY COMPANY**

AMENDED AND RESTATED OPERATING AGREEMENT

As of September 1, 2015

THE LIMITED LIABILITY COMPANY INTERESTS EVIDENCED BY THIS AMENDED AND RESTATED OPERATING AGREEMENT (THE "AGREEMENT") HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933 (THE "ACT") OR PURSUANT TO APPLICABLE STATE SECURITIES LAWS ("BLUE SKY LAWS"). ACCORDINGLY, THE LIMITED LIABILITY COMPANY INTERESTS CANNOT BE RESOLD OR TRANSFERRED BY ANY PURCHASER THEREOF WITHOUT REGISTRATION OF THE SAME UNDER THE ACT AND THE BLUE SKY LAWS OF SUCH STATE(S) AS MAY BE APPLICABLE, OR IN A TRANSACTION WHICH IS EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE ACT AND THE BLUE SKY LAWS OR WHICH IS OTHERWISE IN COMPLIANCE THEREWITH.

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**PROSPECT PARK APARTMENTS URBAN RENEWAL, LLC,
A NEW JERSEY LIMITED LIABILITY COMPANY**

AMENDED AND RESTATED OPERATING AGREEMENT

THIS AMENDED AND RESTATED OPERATING AGREEMENT is made and entered into as of September 1, 2015, by and among Prospect Park Apartments CRG, LLC, a New Jersey limited liability company (the "Managing Member"), Moshe Eichler, and individual resident of the State of New York as the withdrawing member (the "Withdrawing Member"), and RBC Tax Credit Equity, LLC, an Illinois limited liability company (the "Investor Member"), and RBC Tax Credit Manager II, Inc., a Delaware corporation (the "Special Investor Member").

WHEREAS, the Managing Member, as Managing Member, executed a Certificate of Formation (the "Certificate") for the formation of Prospect Park Apartments Urban Renewal, LLC (the "Company") pursuant to the terms of the New Jersey Limited Liability Company Act (the "Act") which Articles were filed with the Secretary of State of New Jersey (the "State of Formation") on April 11, 2011 and amended by that certain Certificate of Amendment to the Certificate filed with the Secretary of the State of Formation on November 21, 2014;

WHEREAS, the Managing Member and the Withdrawing Member, have previously executed an Operating Agreement (the "Original Agreement") of the Company;

WHEREAS, the Managing Member, the Special Investor Member and the Investor Member wish to continue the Company pursuant to the Act;

WHEREAS, the Company has been formed to develop, construct, own, maintain and operate a 130-unit (including one manager's unit) multifamily apartment complex for rental to individuals of low-income age 62 and older, to be known as Prospect Park Apartments and to be located in East Orange, Essex County, New Jersey;

WHEREAS, the parties hereto now desire to enter into this Amended and Restated Operating Agreement to (i) continue the Company under the Act; (ii) withdraw the Withdrawing Member from the Company; (iii) admit the Investor Member and the Special Investor Member to the Company as Investor Members; and (iv) set forth all of the provisions governing the Company;

NOW, THEREFORE, in consideration of the foregoing, of mutual promises of the parties hereto and of other good and valuable consideration, the receipt and sufficiency of which hereby are acknowledged, the parties hereby agree to continue the Company pursuant to the Act, as set forth in this Amended and Restated Operating Agreement, which reads in its entirety as follows:

ARTICLE I
CONTINUATION OF COMPANY

1.01 Continuation. The undersigned hereby continue the Company as a limited liability company under the Act.

1.02 Name. The name of the Company is Prospect Park Apartments Urban Renewal, LLC.

1.03 Principal Place of Business. The principal place of business of the Company shall be 1S Maple Ave., East Orange, New Jersey 07018. The Company may change the location of its principal place of business to such other place or places within the State of Formation or Project State as may hereafter be determined by the Managing Member. The Managing Member shall promptly notify all other Members of any change in the principal place of business. The Company may maintain such other offices at such other place or places as the Managing Member may from time to time deem advisable.

1.04 Agent for Service of Process. The name and address of the agent for service of process is Leslie Rodriquez, 1S Maple Ave., East Orange, New Jersey 07018.

1.05 Withdrawal of Withdrawing Member and Admission of Investor Member and Special Investor Member. The Withdrawing Member hereby withdraws as a Member of the Company, and represents and warrants that it has no interest in the Company and is not entitled to any fees, distributions, compensation or payments from the Company and that it has no interest in any property or assets of the Company. The Investor Member and Special Investor Member are hereby admitted to the Company as the sole Investor Members.

1.06 Term. The term of the Company commenced as of the date of the filing of the Certificate with the Secretary of State of the State of Formation, and shall continue in perpetuity until the Company is dissolved in accordance with the provisions of this Agreement.

1.07 Recording of Articles. Upon the execution of this Amended and Restated Operating Agreement by the parties hereto, the Managing Member shall take all actions necessary to assure the prompt recording of an amendment to the Articles if and as required by the Act, including filing with the Secretary of State of the State of Formation. All fees for filing shall be paid out of the Company's assets. The Managing Member shall take all other necessary action required by law to perfect and maintain the Company as a limited liability company under the laws of the State of Formation, and shall register the Company under any assumed or fictitious name statute or similar law in force and effect in the State of Formation.

ARTICLE II DEFINED TERMS

In addition to the terms defined in the preamble to this Agreement, the following terms used in this Agreement shall have the meanings specified below:

“Accountants” means RubinBrown LLP or such other firm of independent certified public accountants as may be engaged by the Managing Member, with the Consent of the Special Investor Member, to prepare financial statements and provide other services to the Company.

“Act” means the Revised Uniform Limited Liability Company Act of the State of Formation, as may be amended from time to time during the term of the Company.

“Actual Credits” means, for any period of time, the total amount of the Tax Credits allocated by the Company to the Investor Member intended to represent 99.99% of the aggregate Tax Credits reported and claimed by the Company and its Members on their respective federal information and income tax returns for such period of time, and not disallowed by any taxing authority.

“Actual State Tax Credits” means, for any period of time, the total amount of the State Tax Credits eligible to be received with respect to the Project intending to represent one hundred percent (100%) of the aggregate State Tax Credits which will be allocated to HOD Prospect pursuant to the Transfer Certificate and Annual Letter of Compliance for such period of time and transferred by HOD Prospect pursuant to the Transfer Agreement, and not disallowed by the taxing authority.

“Adjusted Capital Account Deficit” means, with respect to any Member, the deficit balance, if any, in such Member’s Capital Account as of the end of the relevant fiscal period after giving effect to the following adjustments: (a) the credit to such Capital Account of any amounts which such Member is obligated to restore under this Agreement or is deemed to be obligated to restore pursuant to either (i) the penultimate sentences of Treas. Reg. §1.704-2(g)(1) and Treas. Reg. §1.704-2(i)(5), or (ii) amounts that the Member is treated as obligated to restore under Treas. Reg. §1.704-1(b)(2)(ii)(c); and (b) the debit to such Capital Account of the amounts described in Treas. Reg. §1.704-1(b)(2)(ii)(d)(4), (5) and (6). The foregoing definition of Adjusted Capital Account Deficit is intended to comply with the provisions of Treas. Reg. §1.704-1(b)(2)(ii)(d) and shall be interpreted consistently therewith.

“Affiliate” of a specified Person means (i) any Person directly or indirectly controlling, controlled by or under common control with the Person specified, (ii) any Person owning or controlling ten percent (10%) or more of the outstanding voting securities or beneficial interests of the Person specified, (iii) any officer, director, managing member, partner, trustee or member of the immediate family of the Person specified, (iv) if the Person specified is an officer, director, managing member, general partner or trustee, any corporation, partnership or trust for which that Person acts in that capacity, or (v) any Person who is an officer, director, managing member, general partner, trustee or holder of ten percent (10%) or more of the outstanding voting securities or beneficial interests of any Person described in clauses (i) through (iv). The term “control” (including the term “controlled by” and “under common control with”) means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

“Agency” means the New Jersey Housing and Mortgage Finance Agency, in its capacity as the agency of the Project State designated to allocate Tax Credits, acting through any authorized representative.

“Agreement” means this Amended and Restated Operating Agreement, as amended from time to time.

“Annual Letter of Compliance” means the annual letter from EDA to the Company stating that the Project is in compliance with all requirements under the State Tax Credit Laws to receive the State Tax Credits for such year.

“Anti-Corruption Laws” means all laws, rules, statutes, codes and regulations of any governmental entity, applicable to the Managing Member, its Affiliates or the Company, concerning or relating to corruption or bribery, including laws prohibiting an offer, payment, promise to pay, or authorization of the payment or giving of money or anything else of value, to anyone, while knowing or believing that all or some portion of the money or thing of value will be offered, given, promised to, or retained by a Government Official, or any other person, for the purpose of obtaining or retaining business, securing any improper advantage or the improper performance of that person's or Government Official's function, or misuse of that person's or Government Official's position.

"Architect" means Steven S. Cohen, Architect P.C., the architect that prepared the Plans and Specifications.

"Articles" means the Company's Articles of Organization or any other instrument or document which is required under the laws of the State of Formation to be signed and sworn to by the Managing Member and filed in the appropriate public offices within the State of Formation to perfect or maintain the Company as a limited liability company under the laws of the State of Formation, to effect the admission, withdrawal or substitution of any Member of the Company, or to protect the limited liability of the Members as members under the laws of the State of Formation.

"Asset Management Fee" has the meaning set forth in Section 13.04(j)(iv).

"Assignment" means the assignment and assumption agreement prepared by the Investor Member pursuant to which the Investor Member may hereafter transfer its interest in the Company to a Fund.

"Assumed Tax Liability" means for any given year the product of (i) the taxable income of a Member for federal income tax purposes, if any, resulting from allocations made to the Member pursuant to Article 11 but not including any taxable income resulting from a Capital Transaction, times (ii) a percentage equal to the sum of (A) the highest applicable federal corporate tax rate for such year, plus (B) the highest applicable state corporate tax rate for such year for the Project State.

"Authority" or "Authorities" means any nation or government, any state or other political subdivision thereof, and any entity exercising its executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, including but not limited to, any federal, state or municipal department, commission, board, bureau, agency, court, tribunal or instrumentality.

"Bankruptcy" or "Bankrupt" as to any Person means the filing of a petition for relief as to any such Person as debtor or bankrupt under the Bankruptcy Act of 1898 or the Bankruptcy Code of 1978 or like provision of law (except if such petition is contested by such Person and has been dismissed within 90 days); insolvency of such Person as finally determined by a court proceeding; filing by such Person of a petition or application to accomplish the same or for the appointment of a receiver or a trustee for such Person or a substantial part of his assets; admission by such Person, in writing, that it cannot pay its debts as they become due; commencement of any proceedings relating to such Person under any other reorganization, arrangement, insolvency, adjustment of debt or liquidation law of any jurisdiction, whether now in existence or hereinafter in effect, either by such Person or by another, provided that if such proceeding is commenced by another, such Person indicates his Consent thereto or acquiesces therein, or such proceeding is contested by such Person and has not been finally dismissed within 60 days.

"Bond Loan" means the construction loan in the amount of \$16,145,000 made or to be made to the Company by the New Jersey Housing and Mortgage Finance Agency which is funded with the proceeds of tax-exempt bonds, as more fully described on **Exhibit B** attached hereto and incorporated herewith.

"Bridge Loan" means the construction loan in the amount of \$500,000 made or to be made to the Company by Moshe Eichler, as more fully described on **Exhibit B** attached hereto and incorporated herewith.

“Business Day” means a day of the week other than a Saturday, Sunday or United States federal holiday. Unless specifically referenced in this Agreement as a Business Day, all references to “days” shall be to calendar days.

“Capital Account” means the capital account of a Member as described in Section 11.06.

“Capital Contribution” means the total amount of money or other property contributed or agreed to be contributed, as the context requires, to the Company by each Member pursuant to the terms of this Agreement. Any reference to the Capital Contribution of a Member shall include the Capital Contribution made by a predecessor holder of the Interest of such Member.

“Capital Transaction” means any transaction out of the ordinary course of the Company's business which is capital in nature, including without limitation, the disposition, whether by sale (except when such sale proceeds are to be used pursuant to a plan or budget Consented to by all of the Members), casualty (where the proceeds are not to be used for reconstruction), condemnation, refinancing or similar event of any part or all of the Project.

“Carveouts” has the meaning set forth in Section 3.02(e).

“Certificate of Compliance” means the annual certificate of compliance which is required to be submitted by the Company to EDA in order to receive the Annual Letter of Compliance.

“Certified Credits” means, for any period of time, the total amount of the Tax Credits that the Accountants certify will be allocated to and claimed by the Investor Member intending to represent 99.99% of the aggregate Tax Credits for the Company and its Members for such period of time. The Accountant's written certification shall be for all buildings in the Project assuming full compliance with the rent restrictions and income limitations of Section 42 of the Code. The calculation of the Certified Credits shall be based upon and determined promptly following issuance of the Form(s) 8609 issued by the Agency for all the buildings comprising the Project. If there is a delay in issuance of the Form(s) 8609, with the Consent of the Special Investor Member, the calculation of the Certified Credits shall initially be based on the cost certification prepared in connection with the application by the Company for Form(s) 8609, provided that such determination shall be subject to further adjustment upon issuance of the Form(s) 8609. Once the Certified Credits are determined, they shall not be adjusted during the term of this Agreement; provided, however, if with respect to a Tax Credit Recapture Event the Managing Member makes a payment under Section 8.10(c), then the Certified Credits shall be reduced prospectively by the annual reduction in Tax Credits attributable to such Tax Credit Recapture Event.

“Code” means the Internal Revenue Code of 1986, as amended from time to time, or any corresponding provision or provisions of succeeding law.

“Collateral” means:

- (a) All of Managing Member's right, title and interest in the Company, whether now owned or hereafter acquired, including, without limitation, its interest in the Company and its right to receive distributions, allocations and payments under the Agreement, as such Agreement may be modified from time to time with the consent of the Investor Member,

(b) All fees and charges to be paid by the Company to the Managing Member, whether now owned or hereafter acquired, whether arising under the Agreement or otherwise, including, without limitation, the Incentive Management Fee,

(c) All indebtedness of the Company to Managing Member of any kind or description, including without limitation, Managing Member's right to receive payment of MM Loans, Operating Deficit Loans or other loans to the Company,

(d) All products and proceeds, whether cash proceeds or noncash proceeds, and products of any and all of the foregoing.

"Company" has the meaning set forth in the first WHEREAS clause above.

"Compliance Period" means the fifteen-year "compliance period" as defined in and determined in accordance with Section 42(i) of the Code.

"Compliance Termination Sale" has the meaning set forth in Section 8.03.

"Consent" means the prior written consent of the Investor Member, Special Investor Member, Managing Member and/or any other Person, as the context may require, to do the act or thing for which the consent is solicited, provided that in such circumstances where the Investor Member's Consent is required hereunder, the Investor Member may designate the Special Investor Member as the party to determine if any Consent is to be given or withheld.

"Construction Contract" means the construction contract in the guaranteed maximum amount of \$8,861,158 (including all exhibits and attachments thereto) to be entered into between the Company and the Contractor, pursuant to which the Project is to be constructed or rehabilitated. Such Construction Contract, and any amendments thereto, shall be subject to the Consent of the Special Investor Member in its sole discretion.

"Construction Cost Savings" means cost savings from the construction budget as determined at Final Closing. Such Construction Cost Savings will be paid as a cash distribution to the Managing Member pursuant to Section 11.03(b)(i) of this Agreement.

"Construction Inspector" shall mean the construction consultant if any, selected by the Special Investor Member to review the Plans and Specifications and inspect the progress of construction or rehabilitation of the Project.

"Construction Loan" collectively refers to those Project Loans designated as a "Construction Loan" on **Exhibit B** attached hereto.

"Continued Compliance Sale" has the meaning set forth in Section 8.03.

"Contractor" means LaRosa Building Group LLC, which is the general construction contractor for the Project.

"Counsel" or "Counsel for the Company" means Berman Indictor, LLP, or such other attorney or law firm upon which the Investor Member and the Managing Member shall agree; provided, however, that if any section of this Agreement either (i) designates particular counsel for the purpose described therein, or (ii) provides that counsel for the purpose described therein shall be

chosen by another method or by another Person, then such designation or provision shall prevail over this general definition.

“Credit Period” means the ten-year “credit period” as defined in and determined in accordance with Section 42(f) of the Code.

“Debt Service Coverage Ratio” shall mean, for a specified period of time after Final Closing, a fraction,

(a) the numerator of which is the difference between:

(i) all cash actually received by the Company from the normal operation of the Project during such period of time (taking into account the greater of the actual vacancy rate or an assumed 5% vacancy rate) and including, if applicable, public subsidy payments due and payable for the applicable period of time whether or not actually received as long as such payments have not been unpaid for more than 60 days although subsidy payments shall not be included to the extent such payments exceed Tax Credit maximum allowable rents, and

(ii) less expenses equal to the greater of (i) an amount equal to underwritten expenses of \$7,222/unit, or (ii) all costs, debts and expenses of any type incurred, on an accrual basis, incident to the equipping, financing, ownership and operation of the Project and the Company, on an annualized basis, which costs shall include, but not be limited to, taxes or payments in lieu of taxes, insurance costs, assessments, audit expenses, the funding of any Reserve Fund for Replacement deposits required under any Project Loan, compliance costs as required by the Agency, payment of the Management Agent’s fees, any other Company loans or obligations not paid out of Net Cash Flow, the costs of capital improvements to the Project incurred after Substantial Completion (which capital improvements are not funded from any Company reserves, casualty or condemnation proceeds, any Project Loans, Capital Contributions or the proceeds of any Capital Transactions) and a ratable portion of the annual amount (as reasonably estimated by the Managing Member) of those seasonal and/or periodic expenses (such as water and sewer charges, utilities and maintenance expenses which might reasonably be expected to be incurred on an unequal basis during a full annual period of operation), for the period of time during which Debt Service Coverage Ratio is measured; and

(b) the denominator of which is all required annualized debt service (other than debt service payable only from Net Cash Flow), reserve, mortgage insurance premium and/or other cash requirements imposed by the Project Loan Documents properly allocable to such period of time as determined by the Accountants and approved by the Special Investor Member in writing.

Such calculation shall be approved by the Special Investor Member and attested to by the Accountants in accordance with standards established by the American Institute of Certified Public Accountants (which attestation shall be subject to the Consent of the Special Investor Member) and which shall be evidenced by a certification of the Managing Member with an accompanying unaudited balance sheet and operating statement of the Company. The Special Investor Member and the Accountants shall be provided with all documents and records which they may reasonably require in order to verify the achievement of the required Debt Service Coverage Ratio and shall

have the right to examine and copy all books and records of the Company, the Managing Member and the Management Agent (relating to the Company and/or the Apartment Complex) in connection therewith.

For the purpose of calculating the Debt Service Coverage Ratio, the following expenses shall not be considered operational expenses of the Project: (i) payments on the Incentive Management Fee; (ii) payments on the Asset Management Fee; and (iii) payments made under the Development Agreement.

“Default Rate” shall mean the greater of (i) 12% per annum or (ii) the Prime Rate, plus four percent (4%) but in no event higher than the highest rate permitted by applicable law.

“Developer” means CRG Developers LLC, a New York limited liability company, in its capacity as the developer of the Project.

“Development Agreement” means the Development Agreement between the Company and the Developer as of even date herewith relating to the development of the Project and providing for the payment of the Development Fee and attached hereto as **Exhibit F**.

“Development Costs” means all of the following: (i) all direct or indirect costs paid or accrued by the Company related to the acquisition of the Land and the development or construction or rehabilitation of the Project, including payment of the Development Fee, amounts due under the Construction Contract, any construction cost overruns, the cost of any change orders, the cost to correct construction defects, the cost of equipping the Project of all necessary and appropriate fixtures, equipment and personal property based on the Plans and Specifications, including, without limitation, installation of all required appliances in the residential units in the Project based on the Plans and Specifications and all costs necessary to achieve Substantial Completion; (ii) all costs to achieve Initial Closing and Final Closing, and satisfy any escrow deposit requirements which are conditions to the Final Closing, including any amounts necessary for local taxes, utilities, mortgage insurance premiums, casualty and liability insurance premiums, and any applicable loan fees, discounts or other expenses; (iii) for the period prior to the Stabilization Date, all costs, payments and deposits needed to avoid a default under any Project Loan, including without limitation, all required deposits to satisfy any requirements of a Project Lender to keep a Project Loan “in balance”; (iv) the funding of all reserves required to be established on or prior to Final Closing pursuant to Section 4.02 of this Agreement (including without limitation, the Operating Reserve and the Reserve Fund for Replacements) or pursuant to the terms of any Project Loan; (v) discharge all Company liabilities and obligations arising out of any casualty occurring prior to Final Closing generating insurance proceeds for the Company, (vi) repay and discharge the Construction Loan, (vii) all costs and expenses relating to remedying any environmental problem or condition or Hazardous Materials that existed on or prior to Final Closing; and (viii) all Operating Deficits incurred by the Company prior to the Stabilization Date.

“Development Fee” means the fee payable by the Company to the Developer pursuant to Section 8.11 of this Agreement and the Development Agreement.

“Downward Capital Adjustment.” has the meaning set forth in Section 5.01(g).

“Early Delivery Adjustment” has the meaning set forth in Section 5.01(g).

“Economic Risk of Loss” has the meaning specified in Treas. Reg. §1.752-2.

“EDA” means the New Jersey Economic Development Authority.

“Environmental Report” means that certain Phase I Environmental Site Assessment Report dated March 31, 2015 prepared by Global Realty Services Group.

“Excess Development Costs” means all Development Costs in excess of the proceeds of the Project Loans, operating revenues received prior to the Stabilization Date, and all Capital Contributions the Investor Member is required to make hereunder.

“Extended Use Agreement” means the instrument required pursuant to Section 42(h)(6)(B) of the Code, to be executed by the Company and delivered to the Agency at or subsequent to the Initial Closing, setting forth certain terms and conditions under which the Project is to be operated.

“Final Capital Contribution” means the last Capital Contribution pursuant to Exhibit K.

“Final Closing” means the occurrence of all of the following:

- (a) Substantial Completion,
- (b) if required by the Project Documents, approval by the Project Lenders of Company's certification of actual costs as to the development and construction of the Project,
- (c) disbursement by all Project Lenders of any previously undisbursed Project Loan proceeds,
- (d) repayment in full of the Bond Loan, the Bridge Loan and the construction portion of the First Mortgage Loan, and
- (e) commencement of amortization as to all Project Loans (to the extent any Project Loan requires principal amortization) such that the Project will have a Debt Service Coverage Ratio of not less than 1.15:1.

“Final Construction Documents” shall mean:

- (a) an updated and recertified as-built ALTA/ACSM standards survey dated no more than 60 days prior to the date of Substantial Completion;
- (b) [Intentionally Omitted]
- (c) any permits and licenses which are required for the operation and use of the Project;
- (d) a final sworn statement or affidavit of final construction cost executed by the Managing Member;
- (e) copies of any change orders not previously submitted to the Investor Member;
- (f) a list of all warranties and maintenance agreements applicable to the completed construction;

(g) current certificates of insurance evidencing the insurance coverages required to be maintained by the Company in accordance with **Exhibit C** attached hereto;

(h) evidence that any actions recommended to be taken which were contained in any environmental assessment, asbestos, lead based paint, radon or subsurface reports prepared in conjunction with the development of the Project have been appropriately taken in a manner that fully complies with such recommendations and all laws, regulations, ordinances, orders or decrees pertaining to environmental matters;

(i) [Intentionally Omitted]

(j) evidence that any material outstanding deficiencies noted in any previously issued HUD REAC inspection reports have been remedied;

(k) results of radon testing in the lowest occupied level of each building in the Project for a period of 48 hours and in accordance with generally accepted radon testing procedures, demonstrating that radon concentrations are below 4.0 pCi/L; and]

(l) an asbestos operations and maintenance plan prepared in general accordance with U.S. EPA's guidelines addressing any suspect or known asbestos containing materials in each building in the Project.

“Financing Shortfall” has the meaning set forth in Section 8.10(d).

“First Mortgage Loan” means the construction/permanent loan in the amount of \$14,100,000 made or to be made to the Company by Wells Fargo Bank, N.A., as more fully described on **Exhibit B** attached hereto and incorporated herewith.

“42(m) Determination” means, with respect to the Project, the allocation by the Agency of Tax Credits, as evidenced by the written determinations required to be received from the Agency under Sections 42(m)(1)(D) and (m)(2)(D) of the Code.

“Fund” means an assignee of the Investor Member's Company Interest where the managing member of the assignee is an Affiliate of the Investor Member.

“Government Official” means an officer, employee or official of a governmental, government owned or controlled entity, political party or public international organization, or a candidate for political office.

“Guarantor” means, collectively, the Developer, Moshe Eichler, an individual resident of the State of New York, and Sam Horowitz, an individual resident of the State of New York.

“Guaranty” means the Guaranty of even date herewith given by the Guarantors to guaranty the performance of the obligations of the Managing Member under this Agreement and the obligations of the Developer under the Development Agreement for the benefit of the Investor Member and attached hereto as **Exhibit G**.

“HAP Contract” means the Housing Assistance Payment Contract to be entered into on or before the date of the Initial Closing between NJHMFA, HUD and the Company evidencing a

project-based Section 8 operating subsidy, pursuant to 24 CFR 983, for 129 units in the Apartment Complex for a minimum term of 15 years from Substantial Completion.

“Hazardous Substances” has the meaning set forth in Section 16.07(h).

“Hazardous Waste Laws” has the meaning set forth in Section 16.07(h).

“HOD Prospect” means HOD Prospect Park Apartments LLC, a New Jersey limited liability company.

“House of David” means House of David Preservation, Inc., a District of Columbia non-profit corporation.

“HUD” means the United States Department of Housing and Urban Development.

“IM Loans” means the loans which may be made by the Investor Member to the Company pursuant to Section 5.08(a) hereof, including any accrued interest thereon.

“In Balance” means, as determined by the Investor Member in its reasonable discretion that the then undisbursed portion of the Investor Member’s Capital Contribution, together with the undisbursed portion of Project Loans and the Managing Member’s Capital Contribution and other loans available on a timely basis to meet the construction costs as incurred, equal or exceeds the amount necessary for the timely and full payment of (i) all work done and not theretofore paid for or to be done in connection with the completion of the construction of the Project in accordance with the Plans and Specifications, including the installation of all fixtures and equipment required for operation of the Project, and (ii) all other costs, including marketing and lease-up expenses, incurred and not theretofore paid for, or to be incurred in connection with the Project (to the extent revenues will not, in Investor Member’s reasonable judgment, be sufficient for the timely and full payment of such costs and expenses).

“Incentive Management Fee” means the fee payable by the Company to the Managing Member pursuant to the Incentive Management Fee Agreement and Section 8.12 of this Agreement.

“Incentive Management Fee Agreement” means the Incentive Management Fee Agreement between the Company and the Managing Member of even date herewith for the Managing Member’s services in managing the business of the Company for the period from the date hereof throughout the term of the Company and attached hereto as **Exhibit H**.

“Incentive MM Distribution” has the meaning set forth in Section 11.03(b)(i).

“Initial Closing” means the date which is the later of (a) the effective date of this Agreement, (b) the date upon which one or more of the Project Loans is closed and the initial disbursement is made thereunder, (c) the date upon which the HAP Contract is executed, or (d) the date that the Investor Member and Special Investor Member deliver to the Managing Member the executed signature pages of this Agreement. The Initial Closing is anticipated to occur on or before September 10, 2015.

“Initial Managing Member Capital Contribution” shall have the meaning set forth in Section 4.02(q).

“Interest” or “Company Interest” means the ownership interest of a Member in the Company at any particular time, including the right of such Member to any and all benefits to which such Member may be entitled as provided in this Agreement and in the Act, together with the obligations of such Member to comply with all the terms and provisions of this Agreement and of said Act.

“Investor Member” means, initially, RBC Tax Credit Equity, LLC and any assigns of its interest permitted or Consented to hereunder (including, without limitation, a Fund).

“Land” means the tract of land located in East Orange, Essex County, New Jersey currently owned or to be purchased by the Company upon which the Project will be located, as more particularly described in the Title Policy.

“Late Delivery Adjustment” has the meaning set forth in Section 5.01(g).

“Liquidator” means the Managing Member or, if there is none at the time in question, such other Person who may be appointed in accordance with applicable law and who shall be responsible for taking all action necessary or appropriate to wind up the affairs of, and distribute the assets of, the Company upon its dissolution.

“Losses” has the meaning set forth in the definition of “Profits” and “Losses.”

“Low-Income Units” means the units within the Project that shall be subject to the rent and income restrictions of Section 42 of the Code and are sufficient for the Company to receive the Projected Credits. It is anticipated that there will be 129 Low-Income Units and one manager’s unit.

“Management Agent” means the management and rental agent for the Project designated pursuant to Section 8.14.

“Management Agreement” means the agreement between the Company and the Management Agent providing for the marketing and management of the Project by the Management Agent.

“Managing Member” means Prospect Park Apartments CRG, LLC, a New Jersey limited liability company, and any other Person admitted as a managing member pursuant to this Agreement, and their respective successors as any such successor may be admitted pursuant to this Agreement, including those Persons admitted pursuant to the provisions of Sections 6.02 and 6.03.

“Managing Member Certificate” means the certificate to be delivered by the Managing Member to the Investor Member as further described in **Exhibit K** hereto and in the form attached hereto as **Exhibit D**.

“Member” means any Managing Member, Investor Member or Special Investor Member.

“Member Nonrecourse Debt” means any Nonrecourse Debt (or portion thereof) for which a Member or related Person (within the meaning of Treas. Reg. §1.752-4(b)) bears (or is deemed to bear) the Economic Risk of Loss.

“Member Nonrecourse Deductions” has the meaning set forth in Treas. Reg. §1.704-2(i)(2), and the amount of Member Nonrecourse Deductions with respect to a Member Nonrecourse Debt for a fiscal year shall be determined in accordance with the rules of Treas. Reg. §1.704-2(i)(2).

“Minimum Gain” means the amount determined by computing with respect to each Nonrecourse Debt the amount of gain, if any, that would be realized by the Company if it disposed of the asset securing such liability (in a taxable transaction) in full satisfaction thereof (and for no other consideration), and by then aggregating the amounts so computed. For purposes of determining the amount of such gain with respect to a liability, the adjusted basis for federal income tax purposes of the asset securing the liability shall be allocated among all the liabilities that the asset secures in the manner set forth in Treas. Reg. §1.704-2(d)(2).

“Minimum Set-Aside Test” means the set-aside test selected by the Company pursuant to Section 42(g) of the Code with respect to the percentage of units in its Project to be occupied by tenants with incomes equal to no more than a certain percentage of area median income. The Company has selected or will select the “40–60 test” as set forth in Code Section 42(g)(1) to require at least 40% of the units in each building of the Project be occupied by individuals with incomes of 60% or less of area median income, as adjusted for family size, as the Minimum Set-Aside Test.

“MM Loans” means the loans which may be made by the Managing Member to the Company pursuant to Section 5.07(a) hereof, Operating Deficit Loans shall not constitute MM Loans.

“Negative Adjustment.” has the meaning set forth in Section 5.01(g)(iv).

“Net Cash Flow” means:

(a) the sum of:

(i) all cash received from rents, lease payments and all other sources, but **excluding**

(A) tenant security or other deposits (except to the extent forfeited to the Company),

(B) Capital Contributions and interest thereon (other than if used to pay for an item deducted below in determining Net Cash Flow),

(C) proceeds from Capital Transactions, and

(D) interest on reserves not available for distribution,

(ii) the net proceeds of any insurance, other than fire and extended coverage and title insurance, to the extent not used for rebuilding of the Project, and

(iii) any other funds deemed available for distribution by the Managing Member with the approval of the Project Lenders, if required, and the Special Investor Member;

(b) less the sum of:

(i) all cash expenditures, and all expenses unpaid but properly accrued, which have been incurred in the operation of the Company's business (whether or not such

expenditure is deducted, amortized or capitalized for tax purposes), **including** the Asset Management Fee and the management fee to the Management Agent,

(ii) all payments on account of any loans made to the Company (whether such loan is made by a Member or otherwise), but not including any amounts to be paid pursuant to the Development Agreement or pursuant to any loans made by any Members where repayment of such loans is to be made out of Net Cash Flow, and

(iii) any deposits to cash reserves for working capital, capital expenditures, repairs, replacements and anticipated expenditures, or for other purposes as may be required by the terms of this Agreement or the Project Loan Documents, in such amounts as may be required by the Project Lenders or the Special Investor Member, or as may be determined from time to time by the Managing Member with the Consent of the Special Investor Member and the approval of the Project Lenders, if required, to be advisable for the operation of the Company.

“Net Projected Tax Liabilities” means, as determined by the Accountants, based on the Company's tax records, and any final adjustments made prior to the availability of proceeds of Capital Transaction(s) for distribution, the cumulative amounts of the respective projected liabilities (collectively, the “Projected Tax Liabilities”) of the Managing Member, the Special Investor Member, the Investor Member, and their respective partners and members, if any (collectively, the “Company Taxpayers”), for any and all federal, state and local taxes, including any recapture of prior Tax Credits, to be imposed on the Company Taxpayers by reason of all Capital Transactions of the Company from which the proceeds in question are to be distributed, any and all prior Capital Transactions of the Company (to the extent proceeds from such prior Capital Transactions equal to the Projected Tax Liabilities for such prior transactions were not distributed), and any liquidation of the Company. Such projections of liabilities shall estimate the applicable tax rate or rates for the Managing Member (based on actual or projected taxable income) and shall assume the maximum applicable tax rate or rates for each of the Special Investor Member's and Investor Member's partners or members, if any (without regard to actual taxable income), in effect at the time of each Capital Transaction in all cases without regard to the alternative minimum tax, limitations on the use of business tax credits, or other factors that may affect tax liability in particular cases, and without adjustment for any variance from actual tax liabilities that may later occur.

“Nonrecourse Debt” means any Company liability that is considered nonrecourse for purposes of Treas. Reg. §1.1001-2 (without regard to whether such liability is a recourse liability under Treas. Reg. §1.752-1(a)(1)).

“Nonrecourse Deductions” has the meaning set forth in Treas. Reg. §1.704-2(b)(1).

“Notice” means a writing containing the information required by this Agreement to be communicated to a Member and sent by express courier, or by registered or certified mail, with postage prepaid and return receipt requested, to such Member at such Member's address as specified pursuant to Section 16.09, the date of receipt thereof (or the next Business Day if the date of receipt is not a Business Day) or, in the case of registered or certified mail, the date of registry thereof or the date of the certification receipt, as applicable, being deemed the date of such Notice; provided, however, that any written communication containing such information sent to such Member actually received by such Member shall constitute Notice for all purposes of this Agreement.

“Operating Deficit” means the amount by which:

(a) the gross receipts of the Company from rental payments made by tenants of the Project, and all other income and receipts of the Company (including, if applicable, public subsidy payments whether or not actually received as long as such payments have not been unpaid for more than 60 days) **other than:**

- (i) tenant security deposits not applied toward tenant rents,
- (ii) insurance proceeds (other than for rent loss),
- (iii) proceeds of any loans to the Company,
- (iv) Capital Contributions, and

(v) investment earnings not available for distribution on funds on deposit in the Reserve Fund for Replacements, the Operating Reserve, the Rental Subsidy Reserve, and other such reserve or escrow funds or accounts not available for distribution) for a particular period of time,

(b) is exceeded by the sum of:

(i) all the operating expenses, **including**

(A) all required debt service,

(B) repairs and maintenance,

(C) required deposits into the Reserve Fund for Replacements (or any other required reserves),

(D) any fees to the Project Lenders and/or any applicable mortgage insurance premium payments,

(E) all capital expenditures, and

(F) all other Company obligations or expenditures,

(ii) **but excluding**

(A) payments for construction of the Project,

(B) Asset Management Fees, and

(C) fees and other expenses and obligations of the Company to be paid from the Capital Contributions of the Investor Member to the Company pursuant to this Agreement during the same period of time.

“Operating Deficit Loan” has the meaning set forth in Section 8.10(b) of this Agreement.

“Operating Reserve” means the reserve referred to in Section 4.02(m).

“Payment Date” means the date which is 90 days after the end of the Company's fiscal year with respect to the preceding fiscal year.

“Percent Completion” means the percentage of physical completion of the construction of the Project as certified by the Architect after inspection of the Project.

“Percentage Interest” means the percentage Interest of each Member as set forth in Sections 5.01(a) and (c).

“Permanent Loan” collectively refers to those Project Loans designated as a “Permanent Loan” on **Exhibit B** attached hereto.

“Person” means any individual, partnership, corporation, trust, limited liability company or other entity.

“PILOT Agreement” means that certain Financial Agreement between the Company and the City of East Orange, New Jersey dated as of July 24, 2015.

“Plans and Specifications” means the plans and specifications for the Project prepared by the Architect dated July 7, 2015, approved in writing by the Investor Member and as listed on **Exhibit E** hereto.

“Positive Adjustment.” has the meaning set forth in Section 5.01(g)(iv).

“Post Closing Agreement” means the agreement between the Investor Member, the Special Investor Member and the Managing Member that details those obligations that the Managing Member was to have satisfied as a condition to Initial Closing but that the Investor Member and Special Investor Member have Consented, in their sole discretion, may be satisfied after Initial Closing but within the time specified in the Post Closing Agreement and attached hereto as **Exhibit J**.

“Prime Rate” means a floating daily variable rate of interest announced from time to time by the RBC Royal Bank, or its successor, if applicable, as its “US Prime Rate,” without reference to prime interest rates of any other financial institutions. The prime rate may not necessarily be the lowest rate of interest charged by the RBC Royal Bank to any of its customers. Any change in the Prime Rate for purposes of this Agreement shall take effect on the day of the RBC Royal Bank 's change in its Prime Rate.

“Purchase Option” means the Purchase Option Agreement between the Company, and the Managing Member, of even date herewith, granting to the Managing Member a purchase option with respect to the Project and attached hereto as **Exhibit I**.

“Profits” and “Losses” mean, for each fiscal year of the Company, an amount equal to the Company’s taxable income or loss for such period from all sources, determined in accordance with §703(a) of the Code, adjusted in the following manner: (a) the income of the Company that is exempt from federal income tax shall be added to such taxable income or loss; (b) any expenditures of the Company which are not deductible in computing its taxable income and not properly chargeable to capital account under either §705(a)(2)(B) of the Code or the regulations promulgated under §704(b) of the Code shall be subtracted from such taxable income or loss; (c) in the event any Company asset is

revalued in accordance with Treas. Reg. §1.704-1(b)(2)(iv)(f), then the amount of any adjustment to the value of such Company asset shall be taken into account as gain or loss from the disposition of such Company asset for purposes of computing Profits or Losses; (d) gain or loss resulting from any disposition of Company asset which has been revalued pursuant to Treas. Reg. §1.704-1(b)(2)(iv)(f) and with respect to which gain or loss is recognized for Federal income tax purposes shall be computed by reference to the adjusted value of such Company asset, notwithstanding that the adjusted tax basis of such Company asset differs from the adjusted value; (e) any depreciation, amortization or other cost recovery deductions taken into account in computing such taxable income or loss shall be recomputed based upon the adjusted value of any Company asset which has been revalued in accordance with Treas. Reg. §1.704-1(b)(2)(iv)(f); and (f) any items of income, gain, loss, deduction or credit which are specially allocated pursuant to Sections 11.07(a), (d) through (j) and (n) and Section 12.02(b) shall not be taken into account in computing Profits or Losses.

“Project” means the Land and the 130-unit multifamily rental housing development and other improvements to be rehabilitated, owned and operated thereon by the Company, and to be known as Prospect Park Apartments.

“Project-Based Voucher Units” means the 129 residential units within the Project which are to receive the benefit of Section 8 project-based vouchers pursuant to the HAP Contract and 24 CFR part 983.

“Project Documents” means and includes this Agreement (and all exhibits hereto), the Management Agreement, the HAP Contract, the Construction Contract, the agreement between the Company and the Architect, the PILOT Agreement, the Social Services Agreement, the State Tax Credit Indemnity Agreement, the Transfer Agreement, any additional documentation regarding any tax abatement, the Plans and Specifications, the Project Loan Documents, Regulatory Agreement, Extended Use Agreement and all instruments delivered to (or required by) the Project Lenders or the Agency to the extent not otherwise listed in this definition.

“Project Lender” means any lender in its capacity as a lender of one of the Project Loans, or its successors and assigns in such capacity, acting through any authorized representative.

“Project Loans” means those loans set forth and described on **Exhibit B** hereto, the terms of which shall not be modified or amended without the Consent of the Special Investor Member in its sole and absolute discretion.

“Project Loan Documents” means all commitment letters, notes, mortgages, deeds of trust, loan agreements and other documents evidencing or securing a Project Loan.

“Project State” means the state in which the Project is located.

“Projected Credits” means, for any period of time, the total amount of the Tax Credits that the Managing Member has projected will be available to the Investor Member intending to represent 99.99% of the aggregate Tax Credits for the Company and its Members for such period of time.

“Projected State Tax Credits” means, for any period of time, the total amount of the State Tax Credits that the Managing Member has projected that the HOD Prospect will be eligible to receive, intending to represent one hundred percent (100%) of the aggregate State Tax Credits to be reflected on the Transfer Certificate and Annual Letter of Compliance for such period of time.

“Projections” means the construction, development and financing budget for the construction, development and financing of the Project, including without limitation the construction or rehabilitation of all improvements, the furnishing of all personalty in connection therewith, and the operation of the Project, which Projections are attached hereto as **Exhibit A**, and any amendments thereto made with the Consent of the Special Investor Member in its sole and absolute discretion. The Projections shall also include (i) a calculation of the Projected Credits for the Credit Period for the Project indicating the assumptions regarding basis which underlie such calculation, (ii) a capital account and minimum gain analysis, (iii) an operations budget, (iv) a debt/value analysis, and (v) such other items as may be requested by the Investor Member or Special Investor Member.

“Qualified Contract” has the meaning set forth in Section 42(h)(6)(F) of the Code.

“Qualified Occupancy” means the achievement of initial occupancy of each and every Low-Income Unit in the Project by a Qualified Tenant. The Managing Member, if requested by the Investor Member, shall demonstrate such occupancy by submitting to the Investor Member certified rent rolls and initial tenant files.

“Qualified Tenant” shall mean a tenant under an executed lease of at least six months who at the time of his or her initial occupancy of the Project satisfies the (i) Rent Restriction Test and (ii) Minimum Set-Aside Test.

“REAC” shall refer to the Real Estate Assessment Center of HUD.

“Recapture Amount” has the meaning set forth in Section 11.02(c).

“Regulatory Agreement” means, to the extent applicable, and collectively, any regulatory agreements and/or any declaration of covenants and restrictions to be entered into between the Company and any Project Lender or any applicable government agency at or after the Initial Closing setting forth certain terms and conditions under which the Project is to be operated.

“Release Date” means the later of:

- (a) the fifth anniversary of the Stabilization Date,
- (b) the date the Project has achieved an average Debt Service Coverage Ratio of 1.15 to 1.0 for the 12-month period immediately prior to the Release Date, and
- (c) the date the Project has achieved a Debt Service Coverage Ratio of 1.15 to 1.0 for each of the 3 months immediately prior to the Release Date.

Notwithstanding the foregoing, if, as of the Release Date, the balance of the Operating Reserve is less than \$430,000, the obligation of the Managing Member to provide funds to pay Operating Deficits shall continue until the balance in the Operating Reserve is equal to or greater than \$430,000.

“Relocation Laws” means mean any federal, state, county, municipal, or local law and any amendments thereto (whether common law, public law, ordinance, rule, order, regulation, or otherwise), order, permit, directive, judgment, decree, or other enforceable requirement of governmental authorities relating to the relocation of existing tenants, including, without limitation, the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, 42 U.S.C.

§ 4600 *et seq.*, Section 104(d) of the Housing and Community Redevelopment Act of 1974, and all regulations, orders, decisions, and decrees now or hereafter promulgated concerning any of the above.

“Rent Restriction Test” means the test pursuant to Section 42(g) of the Code whereby the gross rent charged to tenants of the Low-Income Units in the Project cannot exceed thirty percent (30%) of the imputed income limitation of the applicable units.

“Rental Subsidy Reserve” means the reserve referred to in Section 4.02(n).

“Reserve Fund for Replacements” means the cash funded reserve for replacements required pursuant to Section 4.02(l).

“Service” means the Internal Revenue Service.

“Social Services Agreement” means that certain Resident Service Coordination Services Agreement between the Company and HOD Prospect effective as of January 5, 2015.

“Special Additional Capital Contribution” means the Special Additional Capital Contributions of the Investor Member under Section 5.01(f).

“Special Investor Member” means RBC Tax Credit Manager II, Inc., a Delaware corporation, or its assignee and any Person who becomes a Special Investor Member as provided herein, in its capacity as a special investor member of the Company.

“Stabilization Date” means the first day of the month following a 3-month period (such 3-month period to commence after Final Closing) during which the Project has achieved an average Debt Service Coverage Ratio of 1.15 to 1.0. The Managing Member shall provide the Special Investor Member with the Accountant’s certification as to the Stabilization Date with an accompanying unaudited balance sheet of the Company indicating that all trade payables have been satisfied (or with respect to trade payables within 60 days of the date the services were performed or goods were delivered, the trade payables shall not be past due and the Company shall have an adequate cash reserve for the payment of such trade payables), all as shall be subject to the Consent of the Special Investor Member.

“State of Formation” means the State of New Jersey.

“State Tax Credit Indemnity Agreement” means that certain State Tax Credit Indemnity Agreement to be made by the Guarantors in favor of the Investor Member in connection with the sale of the State Tax Credits pursuant to the Transfer Agreement.

“State Tax Credits” means the New Jersey Economic and Redevelopment Grant Tax Credits which are anticipated to be available to HOD Prospect with respect to the Project under the State Tax Credits Laws.

“State Tax Credits Laws” means the provisions of the New Jersey Economic Opportunity Act of 2013, the New Jersey Economic Stimulus Act, P.L. 2009 c. 90, and N.J.A.C. 19:31-4.1 *et seq.*, as such regulations and statutes may be amended hereafter from time to time.

“State Tax Credit Loan” means the construction/permanent loan in the approximate amount of \$5,982,791 made or to be made to the Company by HOD Prospect, which is funded with the proceeds received from the sale of the State Tax Credits, as more fully described on Exhibit B attached hereto and incorporated herewith.

“Substantial Completion” means the date that the Company receives:

(a) the Architect's certificate of substantial completion (using AIA Form G704 or such other form approved by the Special Investor Member),

(b) satisfaction or waiver of the physical inspection of the Project by the Special Investor Member as set forth below,

(c) all necessary permanent certificates of occupancy (or certificates of occupancy which contain conditions or qualifications which are Consented to by the Special Investor Member, which Consent shall not be withheld if such conditions permit the units to be occupied by tenants and have otherwise been approved by the Project Lender) from the applicable governmental jurisdiction(s) or authority(ies) for one hundred percent (100%) of the apartment units in the Project, and

(d) evidence that all necessary and appropriate fixtures, equipment and personal property have been installed in the Project

Provided, however, that Substantial Completion shall not be deemed to have occurred if on such date any liens or other encumbrances as to title to the Land and the Project exist, other than (i) those securing such Project Loan, (ii) liens Consented to by the Special Investor Member, and (iii) liens that have been bonded over or escrowed to the satisfaction of the Special Investor Member.

Any representation submitted by the Managing Member that Substantial Completion has occurred shall be subject to confirmation by the Special Investor Member pursuant to a physical inspection of the Project conducted by the Special Investor Member or the Construction Inspector; provided, however, in the event such physical inspection of the Project does not occur within 10 Business Days after having received any such Managing Member's representation, then the Special Investor Member will be deemed to have waived the physical inspection requirement.

“Substitute Investor Member” means any Person admitted to the Company as an Investor Member pursuant to Section 9.02.

“Surplus Cash” means any Net Cash Flow which, pursuant to the Project Documents or rules or regulations of the Agency, is permitted to be distributed to the Members.

“Tax Credit” means the low-income housing tax credit allowed for low-income housing projects pursuant to Section 42 of the Code.

“Tax Credit Compliance Guaranty” has the meaning set forth in Section 8.10(c).

“Tax Credit Recapture Event” means (a) the filing of a tax return or an amended return by the Company evidencing a reduction in the qualified basis of the Project causing a recapture of Tax Credits previously allocated to the Investor Member, (b) a reduction in the qualified basis of the Project following an audit by the Service which results in the assessment of a deficiency by the

Service against the Company or the Investor Member with respect to any Tax Credits previously claimed in connection with the Project, unless the Company shall timely file a petition with respect to such deficiency with the United States Tax Court or any other federal court of competent jurisdiction and the collection of such assessment shall be stayed pending the disposition of such petition, (c) a decision by the United States Tax Court or any other federal court of competent jurisdiction upholding the assessment of such deficiency against the Company or the Investor Member with respect to any Tax Credits previously claimed in connection with the Project, unless the Company shall timely appeal such decision and the collection of such assessment shall be stayed pending the disposition of such appeal, or (d) the decision of a federal court of competent jurisdiction affirming such decision.

“Tax Credit Shortfall” means, for any period of time, the difference between the Certified Credits for such period of time and the Actual Credits for such period of time. For purposes of determining the amount of the Tax Credit Shortfall for a particular period of time, if there is an adjustment to Capital Contributions under Section 5.01(g) because of a Late Delivery Adjustment, the Tax Credit Shortfall for such period of time shall be reduced by the Late Delivery Adjustment.

“Title Company” means First American Title Insurance Company.

“Title Policy” means an owner's title insurance policy issued by the Title Company in an amount equal to the total development costs for the Project, in favor of the Company, issued at or prior to the Initial Closing subject only to such easements, covenants, restrictions and such other standard exceptions as are normally included in owner's title insurance policies and which are Consented to by the Special Investor Member and with such endorsements to such policy as the Special Investor Member may reasonably request and with date down endorsements (as more fully described in and delivered at the times set forth in Exhibit K and Article IX of this Agreement).

“Transfer Agreement” means the ERG Tax Credit Purchase and Sale Agreement entered into between HOD Prospect and RBC Tax Credit Equity, LLC, relating to the annual sale of the State Tax Credits.

“Transfer Certificate” means the annual transfer certificate issued by the EDA evidencing the sale, transfer and assignment of the right to utilize the State Tax Credits from HOD Prospect to the Investor Member.

“Unpaid Tax Credit Shortfall” means the outstanding amount of any Tax Credit Shortfall and any unpaid amount due to the Investor Member as a result of a Tax Credit Recapture Event for all the fiscal years of the Company, reduced by any amounts distributed to the Investor Member pursuant to Sections 8.10(c), 11.03 (b)(ii) and 11.04(c)(i) of this Agreement. The Unpaid Tax Credit Shortfall shall bear interest at the “long-term applicable Federal rate” (as defined in Section 1274 of the Code) determined as of the date of the Investor Member's Final Capital Contribution, compounded monthly.

“Upward Capital Adjustment” has the meaning set forth in Section 5.01(g).

“Withdrawing Member” means Moshe Eichler, an individual resident of the State of New York.

ARTICLE III
PURPOSE AND BUSINESS OF THE COMPANY

3.01 Purpose of the Company. The Company has been organized exclusively to acquire the Land and the Project, and to develop, finance, rehabilitate, own, maintain, operate and sell or otherwise dispose of the Project, in order to obtain long-term appreciation, cash income, Tax Credits, State Tax Credits and tax losses.

3.02 Authority of the Company. In order to carry out its purpose, the Company is empowered and authorized to do any and all acts and things necessary, appropriate, proper, advisable, incidental to or convenient for the furtherance and accomplishment of its purpose, and for the protection and benefit of the Company, including but not limited to the following:

- (a) acquire the Land on which the Project is to be located;
- (b) construct, operate, maintain, improve, buy, own, sell, convey, assign, mortgage, rent or lease any real estate and any personal property necessary to the operation of the Project;
- (c) provide housing, subject to the Minimum Set-Aside Test, the Rent Restriction Test and the HAP Contract and consistent with the requirements of the Extended Use Agreement, the Regulatory Agreement and the Project Loan Documents so long as the Extended Use Agreement, the Regulatory Agreement and the Project Loan Documents, as applicable, remain(s) in force;
- (d) enter into any kind of activity, and perform and carry out contracts of any kind necessary to, in connection with, or incidental to, the accomplishment of the purposes of the Company, including, without limitation, the Project Documents;
- (e) borrow money and issue evidences of indebtedness in furtherance of the Company business and secure any such indebtedness by mortgage, pledge, or other lien; provided, however, that the Project Loans, and any evidences of indebtedness thereof and any documents amending, modifying or replacing any of such loans shall have the legal effect that at and after Final Closing the Company and the Members shall have no personal liability for the repayment of the principal of or payment of interest on any Project Loan, and that the sole recourse of any Project Lender, with respect to the principal thereof and interest thereon, shall be to the property securing such Project Loan, except for usual and customary recourse liabilities associated with fraud, misrepresentation, misuse of insurance proceeds or other liabilities specified in the Project Loan documents for which the Special Investor Member has provided its Consent (collectively, the “Carveouts”);
- (f) maintain and operate the Project, including hiring the Management Agent and entering into any agreement for the management of the Project during its rent-up and after its rent-up period;
- (g) subject to the approval of the Agency and/or the Project Lenders, if required, and to other limitations expressly set forth elsewhere in this Agreement, negotiate for and conclude agreements for the sale, exchange, lease or other disposition of all or substantially all of the property of the Company, or for the refinancing of any mortgage loan on the property of the Company;

(h) enter into the Project Loan Documents, the Regulatory Agreement and the Extended Use Agreement, providing for regulations with respect to rents, profits, dividends and the disposition of property;

(i) rent dwelling units in the Project from time to time, in accordance with the provisions of the Code applicable to Tax Credits and the State Tax Credit Laws and in accordance with applicable federal, state and local regulations, collecting the rents therefrom, paying the expenses incurred in connection with the Project, and distributing the net proceeds to the Members, subject to any requirements which may be imposed by the Extended Use Agreement, the Regulatory Agreement and/or the other Project Documents; and

(j) do any and all other acts and things necessary or proper in furtherance of the Company business.

ARTICLE IV
REPRESENTATIONS, WARRANTIES AND COVENANTS;
DUTIES AND OBLIGATIONS

4.01 Representations, Warranties and Covenants Relating to the Project and the Company.

As of the date hereof, the Managing Member hereby represents, warrants and covenants to the Company and to the Members that:

(a) Due Authorizations, Execution and Delivery. The execution and delivery of this Agreement by the Managing Member and the performance by the Managing Member of the transactions contemplated hereby have been duly authorized by all requisite corporate, partnership, limited liability company or trust actions or proceedings. The Managing Member is duly organized, validly existing and in good standing under the laws of the State of Formation with power to enter into this Agreement and to consummate the transactions contemplated hereby.

(b) Construction of Project. The construction or rehabilitation and development of the Project shall be undertaken and shall be completed in a timely and workmanlike manner, free from liens, in accordance with (i) all applicable requirements of the Project Loans and the Project Documents, (ii) all applicable requirements of all appropriate governmental entities, and (iii) the Plans and Specifications of the Project that have been or shall be hereafter Consented to by the Special Investor Member, and, if required, the Project Lenders and any applicable governmental entities.

(c) Zoning and Related Matters. At the date hereof, at the Initial Closing and at the time of commencement of construction and thereafter continuously, the Land is and will be properly zoned for the Project, all consents, permissions and licenses required by all applicable Authorities have been obtained, and the Project upon completion of construction will conform to all applicable federal, state and local land use, zoning, environmental and other governmental laws and regulations.

(d) Public Utilities. All appropriate public utilities, including sanitary and storm sewers, water, gas and electricity, are currently or will be available and will be operating

properly and in sufficient capacity for all units in the Project at the time of first occupancy of such units.

(e) Title Insurance, Title to Project, Taxes and Assessments. The Title Policy will be issued at or prior to the Initial Closing. Good and marketable fee simple title to the Land is held by the Company. The Managing Member has not made any misrepresentation or failed to make any disclosure that will or could result in the Company lacking title insurance coverage based on imputation of knowledge of the Managing Member to the Company. All real estate taxes, assessments, water and sewer charges and other municipal charges, to the extent due and owing, have been paid in full on the Project.

(f) Non-Recourse Loans. At and after the Final Closing, there shall be no direct or indirect personal liability of the Company, any of the Members, or any Affiliates of the Company or Members for the repayment of the principal of or payment of interest on any Project Loan (unless otherwise specifically referenced on Exhibit B hereto), and the sole recourse of any Project Lender under any Project Loan with respect to the principal thereof and interest thereon shall be to the property securing the indebtedness, except for any liability of the Managing Member with respect to Carveouts.

(g) No Defaults. The Managing Member is not aware of (i) any default or any circumstances which, with the giving of notice or the passage of time, would constitute a default, under any agreement, contract, lease, Project Loan, or other commitment, or (ii) of any claim, demand, litigation, proceedings or governmental investigation pending or threatened against the Managing Member, the Project or the Company, or related to the business or assets of the Managing Member, the Project or Company, which claim, demand, litigation, proceeding or governmental investigation could result in any judgment, order, decree, or settlement which would materially and adversely affect the business or assets of the Managing Member, the Project or the Company.

(h) No Violation. The execution and delivery of the Project Documents, the incurrence of the obligations set forth in any of the Project Documents, and the consummation of the transactions contemplated by any of the Project Documents do not violate any provision of law, any order, judgment or decree of any court binding on the Company or the Managing Member or any Affiliate(s) thereof, any provision of any indenture, agreement, or other instrument to which the Company or the Managing Member is a party or by which the Company, Managing Member or the Project is affected, and are not in conflict with, and will not result in a breach of or constitute a default under any such indenture, agreement, or other instrument or result in creating or imposing any lien, charge, or encumbrance of any nature whatsoever upon the Project.

(i) Construction Contract, Plans and Specifications and Project Loan Documents. The Construction Contract has been entered into between the Company and the Contractor; no other consideration or fee shall be paid to the Contractor in its capacity as the Contractor for the Project other than the amounts set forth in the Construction Contract or as evidenced by change orders. In addition, no consideration or fee shall be paid to the Developer or Managing Member by the Contractor. The Managing Member has delivered to the Investor Member the Plans and Specifications (including, without limitation, all working drawings) and all construction schedules, approved construction draws, certifications concerning occupancy, lien notices, project inspection reports, proposed changes and modifications to

the Plans and Specifications, all Project Loan Documents and any other information which is relevant to the construction and development of the Project.

(j) Performance Bond; Letter of Credit. To the extent required by the Project Lenders and the Investor Member, either (i) one hundred percent (100%) payment and performance bonds issued by a nationally, financially recognized bonding company, in forms acceptable to the Project Lenders and the Investor Member, and in amounts satisfactory to the Project Lenders and the Investor Member, or (ii) a letter of credit in an amount and in a form, and from an issuer satisfactory to the Project Lenders and the Investor Member, will be obtained by the Contractor at or before Initial Closing and shall remain in full force and effect under terms and conditions as shall be acceptable to the Project Lenders and the Investor Member.

(k) Insurance. The Managing Member shall cause the Company to obtain and maintain insurance in accordance with the requirements of Exhibit C attached hereto.

(l) No Undisclosed Financial Responsibilities. Neither the Company, nor the Managing Member, either individually or on behalf of the Company, has incurred any financial responsibility with respect to the Project prior to Initial Closing, other than (i) that disclosed to the Investor Member in writing prior to the Initial Closing, or (ii) obligations which will be fully satisfied at or prior to the Initial Closing. As of the date hereof and hereafter continuously, unless the Special Investor Member otherwise Consents in its sole and absolute discretion, or unless otherwise specifically provided for herein, the only indebtedness of the Company with respect to the Project is the Project Loans. Without limiting the generality of the foregoing, neither the Managing Member, any of its Affiliates, nor the Company, has entered, or shall enter, into any agreement or contract for any loans (other than the Project Loans) or for the payment of any Project Loan discounts, additional interest, yield maintenance or other interest charges or financing fees, or any agreement providing for the guarantee of payment of any such interest charges or financing fees relating to any Project Loan. The financial statements and other financial data delivered to the Investor Member in connection with the Project, Managing Member, Developer and Guarantors are true, complete and accurate in all material respects. No material adverse change has occurred in any such entity's financial position since the date of the financial statements and financial data last delivered to the Investor Member.

(m) Valid Company; Power of Authority. The Company is and will continue to be a valid limited liability company, duly organized under the laws of the State of Formation, and shall have and shall continue to have full power and authority to acquire the Land and to develop, construct, rehabilitate, operate and maintain the Project in accordance with the terms of this Agreement, and shall have taken and shall continue to take all action under the laws of the State of Formation and any other applicable jurisdiction that is necessary to protect the limited liability of the Investor Members and to enable the Company to engage in its business.

(n) Restrictions on Sale or Refinancing. No restrictions on the sale or refinancing of the Project, other than restrictions that may be set forth in the Project Documents, exist as of the date hereof, and no such restrictions shall, at any time while the Investor Member is an Investor Member, be placed upon the sale or refinancing of the Project.

(o) Projected Credits; Projections. The Tax Credits that the Managing Member has projected will be available to the Company during the Credit Period are \$9,120,520. The

Projected Credits for the Credit Period are \$9,119,610. The State Tax Credits that the Managing Member has projected HOD Prospect will be eligible to receive with respect to the Project (and transfer pursuant to the Transfer Certificate) during the 10 year credit period with respect to the State Tax Credits are \$7,977,055. The Projected Credits for the Credit Period and the Projected State Tax Credits are based upon the Managing Member's representation that 100% of the residential units in the Project (excluding the manager's unit) will be occupied by Qualified Tenants throughout the Credit Period. Further, there is and at all times shall continue to be sufficient eligible basis (as defined in Section 42(d) of the Code) to provide the full amount of the Projected Credits during the Credit Period. The Projections attached hereto as **Exhibit A** are true, complete and accurate in all material respects; provided, however, in no event shall the foregoing representation be construed to expand the obligations of the Managing Member with regards to any obligations guaranteed pursuant to Section 8.10 of this Agreement. Without limiting the foregoing, no portion of the Incentive Management Fee or Development Fee is allocable to the organization of the Company, to the sale of any interests in the Company, or to any permanent financing arrangements. More than 80% of the gross rental income from the Project will be rental income from dwelling units. The Project does not include any nonresidential space.

(p) Compliance with Agreements. To the best of its knowledge after due inquiry, at the time of the Initial Closing, the Managing Member, either individually or on behalf of the Company, has complied with all applicable provisions and requirements of any and all contracts, options and other agreements with respect to the purchase of the Land and the development, financing and operation of the Project; it shall take, and/or cause the Company to take, all actions as shall be necessary to achieve and maintain continued compliance with the provisions, and fulfill all applicable requirements, of such agreements.

(q) 42(m) Determination and State Tax Credit Allocation. By no later than Initial Closing, the Company will receive a valid 42(m) Determination with respect to the Project in the amount of not less than \$912,052 per annum for each of the Project's ten-year Credit Period, and an award of State Tax Credits from EDA in the amount of no less than \$797,706 per annum for each year of the ten-year credit period with respect to the State Tax Credits.

(r) Applicable Income and Rent Restrictions. The Project is being developed in a manner which satisfies, and shall continue to satisfy, all restrictions, including tenant income and rent restrictions, applicable to projects generating Tax Credits under Section 42 of the Code and State Tax Credits and the State Tax Credit Laws, and with respect to the Project-Based Voucher Units, all requirements of the HAP Contract and 24 CFR part 983. The Company will comply with the Minimum Set-Aside Test; the Project is not subject to any other rental restrictions under the Project Documents except to the extent that more than 40% of the residential units in the Project will be rent and income restricted in order to generate the full amount of the Projected Credits during the Credit Period, that 100% of the residential units in the Project will be rented to individuals with incomes at or below 60% of area median income and 100% of the residential units in the Project will be rented to individuals aged 62 and older.

(s) Term of Extended Use Agreement. The term of the Extended Use Agreement will not exceed 30 years, and neither the Extended Use Agreement nor any other document, instrument or agreement to which the Company is a party shall restrict, limit or waive the right of the Company to cause a termination of the Extended Use Agreement prior to the end of such 30-year term in accordance with Code Section 42(h)(6)(E)(i)(II).

(t) Ownership of Managing Member. Moshe Eichler and Sam Horowitz each own, and shall continue to own throughout the term of the Company, 45.005% of the Managing Member. HOD Prospect MM LLC owns and shall continue to own at all times during the term of the Company 9.99% of the Managing Member. HOD Prospect MM LLC is and shall remain throughout the term of the Company wholly owned by HOD Prospect and HOD Prospect is and shall remain throughout the term of the Company wholly owned by House of David. At all times during the term of the Company Moshe Eichler and Sam Horowitz will maintain management control over the Managing Member. At no time during the term of the Company shall HOD Prospect own 10% or more of the interests in the Managing Member.

(u) Compliance with Federal Fair Housing Act. At all times during the term of this Agreement, the Company shall comply with the provisions of the Fair Housing Act of 1988, as amended, and the Fair Housing Act Design Manual implemented in connection therewith as now existing or hereafter amended or adopted, including, but not limited to, complying with all provisions thereof relating to housing for the elderly.

(v) Taxpayer Certifications. On behalf of the Company, the Managing Member will cause to be filed any and all certifications and other documents on a timely basis with the Service, the Agency, EDA and all other Authorities, as have been and may be required to support the full amount of Projected Credits and Projected State Tax Credits during the Credit Period.

(w) Taxation and Limited Liability. No event has occurred that has caused, and the Managing Member will not act in any manner that will cause (i) the Company to be treated for federal income tax purposes as an “association” taxable as a corporation, rather than as a partnership; or (ii) the Investor Member or the Special Investor Member to be liable for the Company's obligations in excess of their Capital Contributions.

(x) No Tax-Exempt Use Property. No portion of the Project is or will be treated as “tax-exempt use property” as defined in Section 168(h) of the Code. HOD Prospect MM LLC is a subsidiary of a tax-exempt entity and will therefore make the election permitted under Section 168(h)(6)(F) of the Code. No portion of the Project is or will be leased to tax-exempt entities

(y) No Abusive Tax Shelter. The Managing Member has not received notice from the Service that it has considered the Managing Member to be involved in any abusive tax shelter and is not aware of any facts, which if known to the Service, would cause such notice to be issued.

(z) Required Consents. The Company has obtained all consents required for the admission of the Investor Member and Special Investor Member to the Company, including but not limited to, the consent of the holder(s) of the Project Loans, if necessary, and any required consents of applicable Authorities. No Agency, Project Lender or other third-party consents are required for the transfer of the Investor Member's Interest to a Fund.

(aa) Bankruptcy. No Bankruptcy, including, without limitation, attachments, execution proceedings, assignments for the benefit of creditors, insolvency, reorganization or other proceedings is pending or threatened against the Company, the Managing Member, the

Developer or the Guarantors. The Managing Member will not permit such a Bankruptcy to occur.

(ab) Governmental Actions. To the best of the Managing Member's knowledge, there is no official action of any Authority, pending or threatened, which in any way would (i) have a material adverse effect on the Company, the Project, the Investor Member, the Tax Credits, or the State Tax Credits; (ii) involve any intended public improvements which improvements may result in any charge in excess of \$10,000 being levied against the Land; or (iii) result in any special assessment, being levied against or assessed upon the Land or the Project. There is no existing, proposed or contemplated, plan to widen, modify or realign any street or highway contiguous to the Land. The Managing Member will promptly notify the Investor Member of any such official actions or plans, if and as they arise.

(ac) Moratoria; Assessments; Dedications. There is no reassessment (except for real estate property taxes), reclassification, rezoning, proceeding, ordinance or regulation (including amendments and modifications to any of the foregoing) pending or proposed to be imposed, by any Authority or any public or private utility having jurisdiction over the Land which would have a material adverse effect upon the use or occupancy of the Project. No special assessments have been levied against the Project or by an Authority upon the commencement or completion of any construction, alteration or rehabilitation on or of the Project or any portion thereof. The Managing Member will promptly notify the Investor Member of any such actions, if and as they arise. Except as previously disclosed in writing to and Consented to by the Special Investor Member, the completion of the improvements, construction, alteration or rehabilitation on or to the Project or any portion thereof will not require the dedication of any portion of the Project by any Authority.

(ad) No Defects, Compliance. Upon completion of the Project, there will be no material physical or mechanical defects or deficiencies in the condition of the Project, including, but not limited to, the roofs, exterior walls or structural components of the Project and the heating, air conditioning, plumbing, ventilating, elevator, utility, sprinkler and other mechanical and electrical systems, apparatuses and appliances located in, or about, the Land which would materially and adversely affect the Project or any portion thereof. Upon completion of construction, the Project will be free from infestation by termites or other pests, insects, animals or other vermin and the Managing Member will keep and maintain the Project in such condition. The Project conforms (or will timely conform) to all governmental regulations, including, without limitation, all zoning, building, health, fire and environmental rules, regulations ordinances or requirements or environmental laws, regulations or procedures applicable to the Project where the failure to conform would result in a material adverse effect. The residential rental units in the Project will be constructed for use by the general public, will be suitable for occupancy and will be used on other than a transient basis. There will be no space in the Project that will not be used in connection with the residential rental units. All of the units in the Project will be of approximately the same quality standard within the meaning of Section 42(d)(3) of the Code. All of the amenities of the Project will be available to all of the units in the Project, without separate charge. There will not be any medical, nursing, psychiatric, food or other additional significant services provided by the Company or the Managing Member to the tenants of the Project. None of the tenants will own any interest in Company or the Project (other than each such tenant's leasehold estate) and the Project will be occupied by tenants under leases with terms of not less than twelve (12) months. The Managing Member shall not cause or permit to occur any circumstances that would (i) give rise to a "flag" affecting the Investor Member or its

Affiliates under HUD's previous participation certification system, the effect of which would be to adversely impact the ability of the Investor Member or its Affiliates from participation in HUD loan or subsidy programs; or (ii) result in a determination by HUD that the Project has failed to comply with HUD's minimum standards for physical condition (which under current REAC practice, would mean a score of below 60).

(ae) No Defective Soils Conditions. Except as set forth in the Environmental Report, to the best of the Managing Member's knowledge solely after due inquiry, there are no defects or conditions of the soil that would have a material adverse effect upon the use, occupancy and operation of the Project, and further, the soil condition of the Land is such that it will support all of the improvements to be located thereon for its foreseeable life, without the need for unusual or new subsurface excavations, fill, footings, caissons or other installations. To the best of the Managing Member's knowledge, the improvements on the Land, as built, will be or are constructed in a manner compatible with the soil condition at the time of construction and all necessary excavations, fills, footings, caissons and other installations were then, have since been and will be provided.

(af) Rights of First Refusal; Options. Except as contemplated in the Purchase Option, Transfer Agreement and each annual Transfer Certificate, neither the Managing Member nor the Company has entered into (nor will enter into) any contracts for the sale of the Project or the Tax Credits or the State Tax Credits with respect thereto, or any interest in the Project or Company other than as contemplated in this Agreement, nor do there exist any rights of first refusal or options to purchase the Project, the Tax Credits or State Tax Credits with respect thereto, or any Interest in the Company.

(ag) Securities Law Compliance. To the best of its knowledge, and assuming that the Investor Member is an "accredited investor" as defined under Regulation D of the Securities Act of 1933, the Managing Member has complied with all applicable Federal and state securities laws in connection with the Company's initial offer and sale of the Interest in the Company to the Investor Member.

(ah) Truth and Completeness of Representations and Disclosures. No representation, warranty or statement of the Managing Member in this Agreement or in any document, certificate or schedule furnished or to be furnished to the Investor Member or its counsel (including, without limitation the tax certification letter dated on or about the date hereof) pursuant hereto contains or will contain any untrue statement of a material fact or omits or will omit to state a material fact necessary to make the statements or facts contained therein not misleading.

(ai) Survival of Representations and Warranties. All of the representations, warranties and covenants contained herein shall be deemed to be re-made as of the date of each Capital Contribution made by the Investor Member and shall survive the date of Final Closing and the funding date of each such Capital Contribution. The Managing Member shall indemnify and hold harmless the Investor Member against a breach of any of the foregoing representations, warranties and covenants and any damage, loss or claim caused thereby, including reasonable attorneys' fees and costs and expenses of litigation and collection.

(aj) Bonds. The Managing Member, with the Consent of the Special Investor Member, shall take such actions as may be necessary (after giving effect to applicable provisions of the Development Agreement) to assure that the percentage of the aggregate basis of the

Land and buildings (including site improvements) financed with an obligation the interest on which is exempt from tax under Section 103 of the Code and which is within the State of New Jersey volume cap shall be not less than 50% as of Substantial Completion and to assure that at least 50% of the acquisition cost and 50% of the rehabilitation costs are financed with an obligation the interest of which is exempt from tax under Section 103 of the Code and which is within the volume cap of the State of New Jersey. The interest paid on the tax exempt bonds, which constitute a part of the financing of the improvements (the "Bonds"), is excludable by the recipient thereof from Federal income taxation, and the Managing Member has done and performed, or caused to be done and performed, all acts and things necessary or desirable to assure that such interest is exempt; and neither the Managing Member nor any other party has permitted at any time or times any of the proceeds of the Bonds or any other funds to be used directly or indirectly to acquire any securities or obligations, the acquisition of which would cause any Bonds to be an arbitrage bond as defined in Section 148(a) of the Code.

(ak) Tax Exempt Bond Financing. The Managing Member will not take, or permit to be taken on its behalf, any action that would cause the interest payable on the Bonds to be included in gross income for federal income tax purposes, and will take such action as may be necessary in the opinion of bond counsel to the Agency to continue such exclusion from gross income including, without limitation, the following:

(i) the preparation and filing of all statements required to be filed by it in order to maintain the exclusion (including, without limitation, the filing of all reports and certifications required by the Regulatory Agreement);

(ii) the timely payment to the United States of America of any rebate amount required to be paid by the Agency or the Company pursuant to Section 148(f) of the Code and the Treas. Regulations under Section 148; and

(iii) the use of not less than 95% of the net proceeds of the Bonds (within the meaning of Section 142(a) of the Code) for costs to provide a "qualified residential rental project" within the meaning of Section 142(d) of the Code that are properly chargeable to the Company's capital account.

(al) Social Services. The Managing Member shall cause HOD Prospect to provide the social services described in the Social Services Agreement and shall not modify or waive any of the services described therein without the consent of the Investor Member. Except with respect to expenses in the amount of \$30,000 per annum to be paid by the Company, the Managing Member shall be solely responsible for any expenses for the provision of social services pursuant to the Social Services Agreement throughout the fifteen-year "compliance period" as defined in Section 42(i) of the Code and such amounts are in addition to any other required guaranty amounts to be paid by the Managing Member or the Guarantors, including, without limitation, the funding of any Operating Deficits as set forth in Section 8.10(b) and shall continue for the full Compliance Period, regardless of whether or not the Release Date has occurred.

(am) Material Participation of HOD Prospect. HOD Prospect shall materially participate in the operation of the Project, including, without limitation, performing the services required under the Social Services Agreement. HOD Prospect shall devote such time and effort as necessary to assist in the operation of the Project. The Managing Member

acknowledges that the Investor Member is relying on HOD's participation and involvement to accomplish the operation of the Project and based upon such reliance the Managing Member shall cause HOD Prospect to materially participate in the operation of the Project as more specifically set forth in the operating agreement of the Managing Member. The Managing Member shall not permit its operating agreement to be modified or amended in any way to reduce the obligations of HOD Prospect to materially participate in the operation of the Project. The Managing Member shall maintain records evidencing the participation of HOD Prospect in the Project and shall provide certificates and documentary evidence of its compliance with this Section 4.01(am) at such times as the Investor Member shall reasonably request. Such certificates may include copies of meeting minutes, correspondence or other documentary evidence to support the material participation of HOD Prospect in the manner described in the operating agreement of the Managing Member and the Social Services Agreement. In the event that at any time during the tax credit period for the State Tax Credits, HOD fails to meet its obligation to materially participate in the Project and EDA determines that it is no longer eligible to receive the Transfer Certificate, the Managing Member shall take all actions necessary to find a replacement entity acceptable to EDA and the Special Investor Member to receive the Transfer Certificates so that the State Tax Credits are not allocated directly to the Company.

(an) No Related Purchasers. Neither the Company nor any Managing Member, nor any related person thereto (within the meaning of Section 147(a)(2) of the Code) will purchase Bonds pursuant to any arrangement, formal or informal.

(ao) Information Provided to Agency. The information furnished by the Company to the Agency in connection with the issuance of the Bonds is accurate and complete as of the date of issuance of the Bonds.

(ap) Tax Abatement. Managing Member will timely provide all documentation required to be submitted to the City of East Orange, New Jersey pursuant to the PILOT Agreement or any other applicable statutory provisions, and shall take all necessary legal actions, including prosecution of all appeals, to secure the property tax exemption. Once the exemption is obtained, the Managing Member shall undertake all necessary and reasonable actions to maintain such exemption.

(aq) Commencement Date. To the knowledge of the Managing Member, no obligation for which reimbursement will be sought from proceeds of the Bonds relating to the acquisition, construction or equipping of the Project was paid or incurred prior to 60 days preceding the official action of the Agency with respect to the Project.

(ar) Bona Fide Indebtedness. The fair market value of the Project exceeds the total amount of indebtedness, including accrued interest thereon, encumbering the Project and is expected to do so throughout the term of such indebtedness. All Project loan financing requires the noncontingent repayment of principal on or before a fixed maturity date, and the Managing Member expects, to the best of its knowledge, that each layer of Project financing will be considered and treated as a loan by the respective lender. The Managing Member expects that the Project's loan financing as described in Exhibit B will be repaid as projected in the Projections; there are no formal or informal arrangements allowing for or contemplating the forgiveness of any of the Project's financing.

(as) Acquisition Credit. The building in the Project is not subject to the ten year holding period because it is a “federally or State-assisted building” pursuant to Section 42(d)(6)(A) of the Code. The building constituting the Project was not previously placed in service by the Company or by any “related” person with respect to the Company within the meaning of Section 42(d)(2)(B)(iii) of the Code (a “Related Person”). The Members and Related Persons thereto owned 50% or less of the capital interests and 50% or less of the profits interest in the partnership or other entity (including proportionate shares of interests owned indirectly by the Members or such Related Persons through corporations, partnerships, estates or trusts) from which the Company acquired the Project. The amount of rehabilitation expenditures with respect to the building in the Project which are allocable to or which substantially benefit one or more Low-Income Units are such that, during any twenty-four (24)-month period, the amount thereof is at least equal to the greater of: (A) 20% of the adjusted basis of the building (determined as of the first day of such twenty-four (24)-month period and without regard to paragraphs (2) and (3) of Section 1016(a) of the Code), and (B) the qualified basis attributable to such amount, when divided by the number of Low Income Units in such building, is not less than \$6,000 as such amount is adjusted for inflation pursuant to Section 42 of the Code. All tenants presently occupying the Project are Qualified Tenants.

(at) Anti-Corruption Law Compliance. There has been no violation by the Managing Member or its Affiliates of Anti-Corruption Laws in connection with the execution of the Project Documents. At and after execution of the Project Documents, without limitation, the Managing Member and its affiliates are in, and shall remain in, compliance with Anti-Corruption Laws. No action, suit or proceeding is pending or, to the Managing Member's knowledge, threatened, relating to any Anti-Corruption Laws. The Managing Member shall notify the Investor Member if it becomes aware of any violation of Anti-Corruption Laws or circumstances likely to give rise to such a violation and, upon request by the Investor Member, the Managing Member will provide information verifying its compliance with Anti-Corruption Laws.

(au) Relocation of Tenants. Neither the Company nor the Project is in violation of any Relocation Laws. Neither the Managing Member nor the Company has received any notice from any governmental agency that the Company or the Project is in violation of any Relocation Laws. With respect to any permanent or temporary displacement of existing tenants at the Project, to the best of Managing Member’s knowledge, the Managing Member has complied with, and will comply with, the requirements of (and has received all required approvals from) all applicable federal, state, and local statutes, regulations, and agencies relating to the relocation planning, advisory assistance, and payment of monetary benefits.

(av) Bridge Loan Disbursements. The Bridge Loan is being made to the Company by an Affiliate of the Managing Member, and the Managing Member hereby agrees that any disbursements made from the Bridge Loan shall be held in a construction escrow account as required by the Project Lender pursuant to the Project Loan Documents.

(aw) Parking Requirements. The Managing Member acknowledges and agrees that the Project is currently a legal non-conforming use. In the event of a casualty on the Project, if the City of East Orange, New Jersey requires the Company, as a condition to rebuilding the Project, to comply with applicable zoning and to add additional parking spaces on the Land, then the Managing Member shall either pay such amounts required under 8.10(c) resulting from a recapture of the Tax Credits for failure to rebuild or provide all funds

necessary for the Company to make such parking spaces available in order for the Project to be rebuilt to the same specifications as prior to the casualty which are not otherwise covered by insurance proceeds or other Project funds. Notwithstanding the foregoing, if the Project receives a zoning variance permitting the Project to only have 59 or fewer parking spaces and is therefore no longer a legal non-conforming use, then the requirements of this Section 4.02(aw) shall terminate and have no further affect; provided that such termination will in no way effect the obligations of the Managing Member under Section 8.10(c).

4.02 Duties and Obligations Relating to the Project and the Company. The Managing Member shall have the following duties and obligations with respect to the Project and the Company:

(a) Qualifying for Tax Credits. The Managing Member shall ensure that all requirements shall be met which are necessary to obtain or achieve (i) compliance with the Minimum Set-Aside Test, the Rent Restriction Test, and any other requirements necessary for the Project to initially qualify, and to continue to qualify, for Tax Credits and the State Tax Credits, including all applicable requirements set forth in the Transfer Certificate, the Annual Letter of Compliance, the Regulatory Agreement, the HAP Contract, and the Extended Use Agreement, (ii) issuance of Service Form(s) 8609 and the Transfer Certificate and Annual Letter of Compliance for each year of the 10 year credit period with respect to the State Tax Credits, (iii) issuance of all necessary permanent, unconditional certificates of occupancy, including all governmental approvals required to permit occupancy of all of the apartment units in the Project, (iv) Initial Closing and Final Closing, and (v) compliance with all material provisions of the Project Documents. All rental units in the Project are of equal quality with comparable amenities, and such amenities are available to low-income tenants on a comparable basis without separate fees.

(b) Tax Treatment of Company. While conducting the business of the Company, the Managing Member shall not act in any manner which it knows or should know after due inquiry will (i) cause the termination of the Company for federal income tax purposes without the Consent of the Special Investor Member or (ii) cause the Company to be treated for federal income tax purposes as an association taxable as a corporation.

(c) Good Faith of Managing Member. The Managing Member shall exercise good faith in all activities relating to the conduct of the business of the Company, including the development, operation and maintenance of the Project, and the Managing Member shall take no action with respect to the business and property of the Company which is not reasonably related to the achievement of the purpose of the Company as set forth in Section 3.01.

(d) No Security Interests or Encumbrances. The Managing Member shall ensure that all of (i) the fixtures, maintenance supplies, tools, equipment and the like now and to be owned by the Company or to be appurtenant to, or to be used in the operation of the Project, as well as (ii) the rents, revenues and profits earned from the operation of the Project, will be free and clear of all security interests and encumbrances except for the Project Loans, mortgages, deeds of trust and any security agreements executed in connection with the Project Loans or this Agreement at the request of the Special Investor Member.

(e) Basis Adjustments. The Managing Member will execute on behalf of the Company all documents necessary pursuant to Sections 734, 743 and 754 of the Code to

elect to adjust the basis of the Company's property upon the request of the Investor Member, if, in the sole opinion of the Investor Member, such election would be advantageous to the Investor Member, provided such election would not materially affect the Managing Member.

(f) Tax Returns and Financial Statements. The Managing Member shall, during and after the period in which it is a Member, provide the Company with such information and sign such documents as are necessary for the Company to make timely, accurate and complete submissions of federal and state income tax returns and shall provide the Special Investor Member with the opportunity to review and Consent to drafts of all such returns at least 20 days prior to their filing date, and will incorporate into the returns as filed the changes requested by the Special Investor Member. In addition, the Managing Member shall provide the Special Investor Member with the opportunity to have not less than 20 days to review drafts of audited financial statements prior to their finalization and will incorporate the changes requested by the Special Investor Member.

(g) Compliance with Governmental and Contractual Obligations. The Managing Member shall comply and cause the Company to comply with the provisions of all applicable governmental and contractual obligations.

(h) Tax Elections. The Managing Member has made (if applicable) and shall make such elections, or refrain from making such elections, with respect to the Tax Credits and State Tax Credits, that the Special Investor Member reasonably determines are in the Investor Member's best interest. At the direction of the Special Investor Member, the Managing Member shall elect to defer the commencement of the Credit Period for all or any portion of the Tax Credits allowable to the Members under Section 42(g) of the Code, to the extent that any such deferral may be in the best economic interest of the Investor Member, provided, however, if such deferral is made at the direction of the Special Investor Member then the Managing Member shall not be obligated to pay any Late Delivery Adjustment which is caused solely by such deferral. The Managing Member shall cause the Company to report to the Investor Member all reportable transactions under Sections 6111 and 6112 of the Code and Treas. Regulation 1.6011-4 in which the Company is engaged.

(i) Fines and Penalties. The Managing Member shall be responsible for the payment of any fines or penalties imposed by the Agency or any Project Lender pursuant to the Project Documents and any documents executed in connection with obtaining Tax Credits and State Tax Credits (other than with respect to payments of principal or interest under any Project Loan) attributable to any action or inaction of it or its Affiliates.

(j) Notification of Default or Service Proceedings. In addition to any requirements set forth in Article XIII hereof, the Managing Member shall immediately notify the Investor Member of any written or oral notice of (i) any default or failure of compliance with respect to any of the Project Loans, Project Documents or any other financial, contractual or governmental obligation of the Company or the Managing Member, (ii) any Service proceeding regarding the Project or the Company, or (iii) any EDA proceeding regarding the Project or the Company with respect to the State Tax Credits.

(k) Construction Monitoring; Notification of Construction Delays. If at any time during the construction or rehabilitation of the Project, (i) construction or rehabilitation stops or is suspended for a period of 10 consecutive days, or (ii) construction or rehabilitation has

been delayed so that in the reasonable determination of the Managing Member (A) Substantial Completion may not be achieved by the date set forth in the Construction Contract, or (B) the Projected Credits for any year during the Credit Period may not be achieved, the Managing Member shall immediately send Notice of such occurrence, together with an explanation of the circumstances surrounding such occurrence, to the Investor Member.

(l) Reserve Fund for Replacements. The Managing Member shall cause the Company to establish and maintain reasonable reserves to provide for working capital needs, improvements, replacements and any other contingencies of the Company. At a minimum, the Managing Member shall cause the Company to initially deposit at the time of the Initial Closing \$39,000 into a segregated Reserve Fund for Replacements and then annually deposit commencing upon Substantial Completion of the Project, \$39,000 (or such greater amount as may be required by the Project Lenders which amount is currently projected to be \$500 per unit per year with no annual increase) from the Company's gross operating revenues into a segregated Reserve Fund for Replacements, which amount shall increase three percent (3%) per year. Following the 5th year of the Compliance Period, and every five (5) years thereafter, the Investor Member shall have the right to require a physical needs assessment for the Project, which may result in adjustments to the Reserve Fund for Replacements to the extent that the amount in the Reserve Fund for Replacement is insufficient to cover such additional repairs detailed in the physical needs assessment. The Managing Member shall be entitled to withdraw funds from the Reserve Fund for Replacements subject to the Special Investor Member's Consent, which Consent may be evidenced in an approved annual budget for the Project or, if such Consent is not evidenced by an approved annual budget for the Project, upon the request of the Managing Member.

(m) Operating Reserves. In addition to the requirements of Section 4.02(l), in order to meet operating expenses and debt service of the Company which exceed operating revenues available for the payment thereof, the Managing Member shall cause the Company to deposit, no later than the making of the Sixth Capital Contribution, an initial amount of \$430,000 (or such greater amount as may be required by the Project Lenders) into a segregated reserve account (the "Operating Reserve"). The initial \$430,000 of the Operating Reserve shall be funded from Capital Contributions and/or the proceeds of the Project Loan. If there are insufficient funds to fund the Operating Reserve from the aforementioned sources upon Final Closing, the Managing Member shall be required to fund the Operating Reserve. Additionally, the Managing Member shall cause the Company to deposit into the Operating Reserve amounts sufficient to maintain a balance of \$430,000 (or such other amount approved by the Investor Member equal to no more than three months of operating expenses, required debt service and Reserve Fund for Replacement deposits) using Net Cash Flow. The Managing Member shall be entitled to withdraw funds from the Operating Reserve subject to the Special Investor Member's Consent, which may be evidenced in an approved annual budget for the Project or, if such Consent is not evidenced by an approved annual budget for the Project, upon the request of the Managing Member. In no event shall the Managing Member withdraw funds from the Operating Reserve for Operating Deficits if the balance of such reserve is less than \$430,000 at any time when the Managing Member is obligated to fund operating deficits pursuant to Section 8.10(b).

(n) Rental Subsidy Reserve. In addition to the requirements of Sections 4.02(l) and 4.02(m), the Managing Member shall cause the Company to deposit, at the time of the execution of this Agreement, the amount of \$1,015,151 into an account with the Agency (the

“Rental Subsidy Reserve”). The Rental Subsidy Reserve shall be maintained through the end of the Compliance Period, and the Managing Member shall be entitled to withdraw funds from the Rental Subsidy Reserve subject to the Consent of the Investor Member in its sole and absolute discretion.

(o) HAP Contract. The Company has received a HAP Contract on 129 residential units for a minimum term of fifteen (15) years. The Managing Member shall take all actions necessary to ensure that the HAP Contract remains in place at all times during the Compliance Period. In the event that the HAP Contract is terminated prior to the expiration of the initial fifteen (15) year term and the Company is operating below a 1.15 Debt Service Coverage Ratio, the Managing Member shall diligently undertake efforts to increase the rent levels on all of the Project-Based Voucher Units to 60% of the area median income, provided that such rent levels do not exceed the rent restriction levels approved by HUD, the Agency, and/or the Project Lenders.

(p) State Tax Credits. The Managing Member shall cause the Company to annually submit the Certificate of Compliance to the EDA on or before the date required by the EDA in order to receive a Transfer Certificate and Annual Letter of Compliance for each year of the 10-year credit period with respect to the State Tax Credits. Prior to submitting the Certificate of Compliance to EDA, a draft of the Certificate of Compliance will be submitted to the Special Investor Member for its review and Consent, which Consent shall not be unreasonably withheld, conditioned or delayed. The Managing Member shall cause the Company to take all additional action necessary to cause the EDA to issue the Transfer Certificate in the name of HOD Prospect each year of the 10-year credit period applicable to the State Tax Credits.

(q) Managing Member Capital Contribution. On the date of the Initial Closing the Managing Member shall make a Capital Contribution to the Company in the amount of \$193,007 (the “Initial Managing Member Capital Contribution”). The Managing Member represents and warrants that such Capital Contribution is not funded from any state or federal grants received by the Managing Member or any Affiliates of the Managing Member in connection with the Project.

(r) Release of Agency held Reserves. The Managing Member acknowledges and agrees that in addition to the reserves required under this Agreement the Company will also fund the following reserves held by the Agency: (i) a tax escrow in the amount of \$73,965, and (ii) an insurance escrow in the amount of \$78,556 (collectively, the “Agency Reserves”). Notwithstanding anything to the contrary contained herein, any amount released by the Agency from the Agency Reserves will first be distributed as a priority return of the Managing Member’s Initial Capital Contribution and then any remaining amount will be distributed as Net Cash Flow.

(s) Pre-Development Activities. The Managing Member shall be specifically and solely responsible for the following duties:

- (i) Analyzing the Qualified Allocation Plan for targeted areas within a state.
- (ii) Identifying potential land sites.
- (iii) Analyzing the demographics of potential sites.

- (iv) Analyzing a site's economy and forecast future growth potential.
- (v) Determining the site's zoning status and possible rezoning actions.
- (vi) Contacting local government officials concerning access to utilities, public transportation, impact fees and local ordinances.
- (vii) Performing environmental tests on selected sites.
- (viii) Negotiating the purchase of the land upon which the Project is located and its related financing.
- (ix) Performing any other duties or activities relating to the acquisition of the land upon which the Project is located.

The Managing Member shall not assign any of the foregoing duties to the Developer.

4.03 Single Purpose Entity. The Managing Member shall engage in no other business or activity other than that of being the Managing Member of the Company. The Managing Member was formed exclusively for the purpose of acting as the Managing Member of the Company and has never engaged in any other activity, business or endeavor. As of the Initial Closing, the Managing Member has no liabilities or indebtedness other than its liability for the debts of the Company, and the Managing Member shall not incur any indebtedness other than its liability for the debts of the Company. If the Managing Member determines it needs additional funds for any purpose, it shall obtain such funds solely from capital contributions from its shareholders. The Managing Member has observed and shall continue to observe all necessary or appropriate corporate formalities in the conduct of its business. The Managing Member shall keep its books and records separate and distinct from those of its shareholders, members and/or other of its Affiliates, and shall maintain the Company accounts in financial institutions, whose accounts are federally insured, segregated from any other accounts and funds of the Managing Member or any of its shareholders, members and/or other of its Affiliates. The Managing Member shall clearly identify itself as a legal entity separate and distinct from its shareholders, members and/or other of its Affiliates in all dealings with other Persons. The Managing Member has been adequately capitalized for the purposes of conducting its business and will not make distributions at a time when it would have unreasonably small capital for the continued conduct of its business.

ARTICLE V
MEMBERS INTERESTS AND OBLIGATIONS OF THE COMPANY

5.01 Members; Capital Contributions; Company Interests..

(a) Managing Member's Initial Capital Contribution. The Managing Member, its principal address or place of business, its Capital Contribution and its Percentage Interest are as follows:

Managing Member	Capital Contribution	Percentage Interest
Prospect Park Apartments CRG, LLC c/o Capital Realty Group	\$193,007 as set forth in Section 4.02(q)	.009%

86 Rt. 59 E.
Spring Valley, NY 10977

(b) Managing Member's Special Capital Contribution. In the event that the Company has not timely paid all or part of the amounts due under the Development Agreement by the end of the Compliance Period, the Managing Member shall contribute to the Company an amount equal to any such remaining payments and the Company shall thereupon make a payment in an equal amount to pay off all amounts due under the Development Agreement by the final date by which all amounts must be paid thereunder.

(c) Investor Members. The Investor Member and the Special Investor Member, respectively, their principal office and place of business, their Capital Contributions and their Percentage Interests are as follows:

Investor Member	Capital Contribution	Percentage Interest
RBC Tax Credit Equity, LLC 600 Superior Avenue Suite 2300 Cleveland, Ohio 44114	Capital Contribution is as set forth in Section 5.01(d) and <u>Exhibit K</u>	99.99%
Special Investor Member RBC Tax Credit Manager II, Inc. 600 Superior Avenue Suite 2300 Cleveland, Ohio 44114	\$10	.001%

(d) Investor Member Capital Contributions. The Investor Member has agreed to make Capital Contributions to the Company in the aggregate amount of \$9,347,600, in accordance with the schedule of payments set forth on **Exhibit K**, attached hereto and made a part hereof. The obligation of the Investor Member to make the Capital Contributions is subject to satisfaction of the conditions precedent to each Capital Contribution as set forth in **Exhibit K** attached hereto and made a part hereof. The determination of whether or not a condition precedent to a Capital Contribution has been satisfied shall be made in the reasonable discretion of the Investor Member within 10 Business Days of receipt of any single item. Upon disapproval of an item, the Managing Member shall take all steps necessary to correct any deficiencies and resubmit the same as soon as practical thereafter. Each such Capital Contribution shall be made within 10 Business Days of the satisfaction of the last condition precedent thereto. The Investor Member may, at the Investor Member's expense, hire the Construction Inspector to review on behalf of the Investor Member the construction of the Project to determine, in part, whether such construction is defect-free and in accordance with the Plans and Specifications and to review and approve draw requests submitted by the Managing Member under this Section 5.01(d) and pursuant to **Exhibit K**. In the event the Project Lender does not require the Investor Member to deposit each Capital Contribution into a construction escrow account, the Capital Contributions made during the construction of the Project shall be disbursed no more frequently than once per month, and the total amount advanced shall not at any time exceed an amount equal to (a) the percentage of completion evidenced by the inspections of the Project by the Architect, times (b) the estimated total construction costs submitted by the Company to the general contractor hereunder and approved by the Investor Member. Notwithstanding anything to

the contrary contained herein, the Investor Member hereby consents to the execution by the Company of that certain Assignment of Equity Investor Capital Contributions, Pledge and Security Agreement granted in favor of Wells Fargo, National Association in connection with the First Mortgage Loan.

(e) Conditions for Capital Contributions. The obligation to pay the amounts due under Section 5.01(d) and **Exhibit K** shall also be expressly conditioned upon each of the following requirements being satisfied at all times prior to and including the due dates of the respective payment:

(i) The Managing Member shall have fully complied with all of its covenants and obligations set forth in this Agreement;

(ii) The Managing Member shall have fully complied with furnishing the Investor Member any reports or other information required to be provided by the Managing Member pursuant to Article XIII hereof;

(iii) There has been no change in any law or regulation which would adversely affect the ability of the Company to generate Tax Credits or State Tax Credits;

(iv) There has been no default under the Project Documents and no event has occurred, which event with notice or the passage of time, would give rise to such a default; and

(v) The Construction Loan shall be In Balance; and all construction and development work completed, as of the date of any funding, shall have been done so in accordance with the Plans and Specifications.

(f) Investor Member's Special Additional Capital Contributions. If, in any fiscal year of the Company, the Investor Member's Capital Account balance may be reduced to or below zero, the Investor Member may, in its sole and absolute discretion, make a special additional Capital Contribution to the Company, in an amount reasonably required to avoid the reduction of the Investor Member's Capital Account balance to or below zero (the "Special Additional Capital Contribution"). If the Investor Member makes a Special Additional Capital Contribution to the Company pursuant to this Section, the Investor Member shall receive a guaranteed payment pursuant to Section 5.06 for the use of its Special Additional Capital Contribution. Whenever the Investor Member makes a Special Additional Capital Contribution to the Company pursuant to this Section, the Managing Member shall have the option, in its sole and absolute discretion, to make special additional Capital Contributions to the Company, up to the same amount and on the same terms in the aggregate as the Special Additional Capital Contribution made by the Investor Member at that time.

(g) Adjustment to Capital Contributions of Investor Member

(i) Adjustments. The following calculations shall apply for purposes of determining adjustments to Capital Contributions:

(A) "Downward Capital Adjustment" shall equal the product of:

(1) \$9,119,610 minus the Certified Credits for the Credit Period; and

(2) \$1.025.

(B) “Late Delivery Adjustment” shall equal for calendar year 2016:

- (1) the amount, if any, by which \$911,961 exceeds Actual Credits for such year;
- (2) minus the present value (using an 8% discount rate) of the additional Projected Credits to be received in calendar year 2026.

(C) “Upward Capital Adjustment” shall equal the product of:

- (1) Certified Credits for the Credit Period (excluding any Tax Credits resulting from an increase in qualified basis under Code Section 42(f)(3)), minus \$9,119,610; and
- (2) \$0.965.

(D) “Early Delivery Adjustment” shall equal for calendar year 2015 and calendar year 2016 the product of:

- (1) the amount, if any, by which Actual Credits for such year exceeds \$0 and \$911,961, respectively; and
- (2) \$0.40.

(ii) Downward/Upward Capital Adjustment Calculation. Following determination of Certified Credits for the Credit Period, the Accountants shall calculate the Downward Capital Adjustment or Upward Capital Adjustment.

(iii) Late/Early Delivery Adjustment Calculation. Following the initial lease-up of the Project, the Accountants shall calculate the Late Delivery Adjustment or Early Delivery Adjustment. When calculating the Late/Early Delivery Adjustment pursuant to Section 5.01(g)(i), if there is also a Downward/Upward Capital Adjustment, then \$911,961 shall be adjusted by the same percentage by which the Certified Credits for the Credit Period vary from the Projected Credits for the Credit Period.

If the building in the Project does not achieve Qualified Occupancy by the first year of the Credit Period for the building and therefore the Tax Credits are allocated over 15 years, then the Late Delivery Adjustment shall be the sum of (1) the amount determined under Section 5.01(g)(i)(B) above, and (2) the amount, if any, that the Projected Credits for years 2016 through 2026 exceed the Tax Credits projected to be available in years 2016 through 2026, as calculated by the Investor Member at the end of the first year of the Credit Period.

(iv) Effect on Capital Contributions; Managing Member Payment. If there is a Downward Capital Adjustment and/or a Late Delivery Adjustment (a “Negative Adjustment”), then the Capital Contributions of the Investor Member shall be immediately reduced by such amounts. A Negative Adjustment shall first reduce the Second Capital Contribution (if it has not previously been funded), and then to the extent necessary, each succeeding Capital Contribution (to the extent not previously funded). If the Negative Adjustment exceeds the total of all unfunded Capital Contributions, then the Managing Member shall make a payment to the Company equal to the amount of such excess, and the Company shall immediately distribute such amount to the Investor Member as a return of its Capital Contributions. Such payment by the Managing Member shall constitute a non-reimbursable funding by it of

Excess Development Costs and shall not give rise to any right as a loan or Capital Contribution or result in any increase in the Capital Account of the Managing Member. Such payment shall be made within 10 days following a demand therefor from the Investor Member, failing which interest shall accrue at the Default Rate.

If there is an Upward Capital Adjustment and/or Early Delivery Adjustment (a "Positive Adjustment"), then the Capital Contribution of the Investor Member shall be increased by the Positive Adjustment, but in no event shall the additional Capital Contribution by the Investor Member be greater than \$467,380. The additional Investor Member Capital Contribution shall increase the Final Capital Contribution. The Company shall use the increase in the Final Capital Contribution (i) first to pay any Excess Development Costs, (ii) then to prepay the Development Fee, and (iii) then disbursed as Net Cash Flow.

(h) Tax Opinion and Due Diligence Costs. The Company shall pay the costs and expenses incurred by the Special Investor Member in connection with the due diligence activities of the Special Investor Member and the closing of the transactions described herein, including Special Investor Member's legal fees (including without limitation, preparation of the tax opinion), costs and expenses, in an amount equal to \$40,000. If not previously paid, such payment shall be due upon Initial Closing and may, at the Special Investor Member's election, be deducted from the Investor Member's First Capital Contribution.

(i) Additional Investor Members. Without the Consent of all of the Members, no additional Persons may be admitted as additional Investor Members, other than as provided under Section 9.01 hereof, and Capital Contributions may be accepted only as and to the extent expressly provided for in this Article V.

(j) Deposit of Capital Contributions. The cash portion of the Capital Contributions of each Member shall be deposited at the Managing Member's discretion in a checking, savings and/or money market or similar account to be established and maintained in the name of the Company or invested in government securities or certificates of deposit issued by any bank, or, if requested by the Investor Member, the cash portion may be deposited directly to a construction escrow account. Thereafter, such amounts shall be utilized for the conduct of the Company business pursuant to the terms of this Agreement. Upon prior written notice to the Managing Member, the Investor Member shall have the right to make payment of its Capital Contribution (i) directly to a construction escrowee or other third party to be utilized for payment of costs contemplated by the Projections or as required by the Project Documents, or (ii) directly to a Project Lender. Any such direct payments shall be credited to the Investor Member as if such payment was paid directly to an account maintained for or by the Company.

(k) No Liability for Investor Member. Except as may otherwise be provided under applicable law, no Investor Member shall be bound by, or personally liable for, the expenses, liabilities or obligations of the Company.

5.02 Return of Capital Contribution. Except as provided in this Agreement, no Member shall be entitled to demand or receive the return of its Capital Contribution.

5.03 Withholding of Capital Contribution Upon Default.

(a) Conditions Giving Rise to Withholding. In the event that (i) the Managing Member, or any successor Managing Member shall not have complied with any material provisions under this Agreement, after Notice from the Investor Member of such noncompliance and failure to cure such noncompliance within 15 days after receipt of such Notice, or (ii) the Guarantor shall have failed to perform any of its obligations under the Guaranty, or (iii) any Project Lender shall have declared the Company to be in default under any Project Loan, or (iv) foreclosure proceedings shall have been commenced against the Project, then the Company and the Managing Member shall be in default of this Agreement, and the Investor Member, at its sole election, may cause the withholding of payment of any Capital Contribution otherwise payable to the Company, and the Managing Member shall make no further payment to the Developer prior to the outside date upon which the Developer must be paid pursuant to the Development Agreement without the Consent of the Special Investor Member, provided, however, that the Capital Contribution shall be paid if such payment will allow the Managing Member to cure the default, and all other conditions for payment have been met and the Company and the Managing Member are not otherwise in default of this Agreement.

(b) Release to Company Following Cure. All amounts so withheld by the Investor Member under this Section 5.03 shall be promptly released to the Company only after the Managing Member or the Company has cured the default justifying the withholding, as demonstrated by evidence reasonably acceptable to the Investor Member.

5.04 Legal Opinions.

(a) Local Law Opinion. As a condition precedent to the Investor Member's obligation to make its Capital Contributions hereunder, the Investor Member must receive the opinion of Berman Indictor LLP, counsel to the Company, the Managing Member, the Guarantor and the Developer, which opinion shall explicitly state that counsel to the Investor Member may explicitly rely upon it and shall be in a form satisfactory to the Investor Member.

(b) Tax Opinion. In addition, the Managing Member and Guarantors shall cause to be prepared and delivered to counsel to the Investor Member, the Projections and certify to the Investor Member and its counsel such matters as may be required to enable such counsel to deliver an overall tax opinion that addresses all material tax issues and indicates that the financial projections and tax credit calculation contained in the Projections appear reasonable and complete. The fees and expenses of the tax opinion are included in the tax opinion and due diligence costs described in Section 5.01(h).

5.05 Repurchase Obligation.

(a) Conditions for Repurchase. If (i) the entire Project is not placed in service by December 31, 2016 (or such later date as may be Consented to by the Special Investor Member in its sole discretion); (ii) the Service Form(s) 8609 (is) (are) not issued by the Agency so as to allow the Credit Period to commence for the year 2016 and the initial Transfer Certificate and initial Annual Letter of Compliance for the State Tax Credits has not been issued so as to allow the credit period with respect to the State Tax Credits to commence in the year 2016; (iii) the Construction Loan is not fully repaid and Final Closing has not occurred by August 31, 2017 (or such later date as may be Consented to by the Special Investor Member in its sole discretion); (iv) the Company fails to achieve Qualified

Occupancy on or before June 30, 2017; (v) the Company fails to meet the Minimum Set-Aside Test and the Rent Restriction Test by the close of the first year of the Credit Period or at any time thereafter; (vi) less than fifty percent (50%) of the aggregate cost basis of the construction and the basis of the Land on which the construction is located, as such terms are defined in Code Section 42(h)(4)(B), is financed by an obligation described in Code Section 42(h)(4)(A); (vii) the Stabilization Date has not occurred within 18 months following Substantial Completion; (viii) at any time before the Stabilization Date (1) an action is commenced and successfully prosecuted to foreclose, abandon or permanently enjoin construction of the Project; (2) it is determined that the Project will qualify for less than 70% of the Projected Tax Credits or 70% of the Projected State Tax Credits; or (3) if applicable, the Project fails to comply with HUD's minimum standards for physical condition as determined pursuant to HUD's REAC inspection process; (ix) commitments received by the Company for any Project Loans are withdrawn and a comparable commitment has not been received within 30 days of such withdrawal, (x) an obligation set forth in the Post Closing Agreement is not satisfied within the required time frame, or (xi) an Extended Use Agreement is not in effect before the end of the first year of the Credit Period, then the Managing Member shall, within 15 days of the occurrence thereof, send to the Investor Member Notice of such event and of its obligation to purchase the Interest of the Investor Member hereunder and return to the Investor Member its Capital Contributions in the event the Investor Member, in its sole discretion, requires in a Notice to the Managing Member such purchase of the Interest of the Investor Member.

(b) Thereafter, the Managing Member, within 30 days of the mailing date of Notice by the Investor Member of such election, shall acquire the entire Interest of the Investor Member in the Company by making payment to the Investor Member, in cash, of an amount equal to the sum of (i) 110% of the Capital Contributions made by the Investor Member, (ii) interest on such amount at the Default Rate accruing from the date or dates of the Investor Member's Capital Contributions, (iii) all expenses incurred by the Investor Member in connection with entering into the Agreement, and (iv) any outstanding amounts owed to the Investor Member pursuant to this Agreement, including any federal income tax liability incurred by the Investor Member as a result of the payment of any amounts pursuant to this Section 5.05.

(c) Upon receipt by the Investor Member of any such payment of its Capital Contributions, the Interest of the Investor Member and the Special Investor Member and all further obligations of the Investor Member and the Special Investor Member hereunder shall terminate, and, to the extent that the Investor Member has acted in accordance with the terms of this Agreement, the Managing Member shall indemnify and hold harmless the Investor Member from any losses, damages, and/or liabilities, to or as a result of claims of Persons other than Members or Affiliates thereof, to which the Investor Member (as a result of its respective participation hereunder) may be subject.

5.06 Guaranteed Payments. No later than 90 days after the end of the Company's fiscal year, any Member who has made a Special Additional Capital Contribution pursuant to Section 5.01(f) shall receive, as a guaranteed payment for the use of its capital, an amount equal to the annual interest earned by the Company, if any, on such Special Additional Capital Contribution. The Company shall invest any amounts contributed pursuant to Section 5.01(f) as reasonably directed by the contributing Member. Any guaranteed payment due to a Member shall be deemed an expense of the Company for purposes of determining Net Cash Flow. Any guaranteed payment which is not paid when due shall remain a liability of the Company and shall bear interest as set forth above.

5.07 MM Loans.

(a) MM Loans. The Managing Member shall have the right, but not the obligation, after funding all other obligations under this Agreement, including, without limitation, its obligation to fund Excess Development Costs under its Construction Completion Guaranty under Section 8.10(a) or Operating Deficit under its Operating Deficit Guaranty under Section 8.10(b) hereof, to make, subject to the Consent of the Special Investor Member in its sole discretion, MM Loans pursuant to this Section 5.07(a) to fund Operating Deficits of the Company or to fund other reasonable and necessary obligations of the Company. MM Loans shall be on the following terms: (i) no interest shall accrue on the MM Loans; and (ii) MM Loans shall be repayable solely as set forth in Sections 11.03 and 11.04 of this Agreement.

(b) Documentation of MM Loans. At the request of a Member, which request may be made quarterly, any MM Loan shall be evidenced by a non-negotiable promissory note or notes reflecting any such MM Loans made during the preceding calendar quarter. MM Loans shall be unsecured loans by such Member. MM Loans shall not be considered Capital Contributions and shall not increase such Member's Capital Account.

(c) Usury Savings Clause. Notwithstanding anything to the contrary herein or in any note evidencing a MM Loan, in no event shall interest accrue on any MM Loan at a rate in excess of the highest rate permitted by applicable law, and if such designated interest rate should be in excess of such interest rate, the interest rate designated hereunder shall be reduced to the maximum rate of interest permitted by such law.

5.08 IM Loans.

(a) IM Loans. The Investor Member, or an Affiliate of the Investor Member, shall have the right, but not the obligation, to make IM Loans pursuant to this Section 5.08(a) to fund reasonable and necessary obligations of the Company. IM Loans shall be on the following terms: (i) no interest shall accrue on the IM Loans; and (ii) IM Loans shall be repayable solely as set forth in Sections 11.03 and 11.04 of this Agreement.

(b) Documentation of IM Loans. IM Loans shall be evidenced by a non-negotiable promissory note or notes. IM Loans shall be unsecured loans. IM Loans shall not be considered Capital Contributions and shall not increase the Investor Member's Capital Account.

(c) Usury Savings Clause. Notwithstanding anything to the contrary herein or in any note evidencing a IM Loan, in no event shall interest accrue on any IM Loan at a rate in excess of the highest rate permitted by applicable law, and if such designated interest rate should be in excess of such interest rate, the interest rate designated hereunder shall be reduced to the maximum rate of interest permitted by such law.

5.09 Investor Member Default. Until payment in full of Capital Contribution due hereunder, the Investor Member hereby pledges to the Company and grants the Managing Member and Company a first priority security interest in the Investor Member's Interest as security for the payment of the Investor Member's Capital Contributions. In furtherance of the foregoing pledge, the Investor Member and any transferee of the Investor Member's Interest shall, if the Managing

Member so requires, execute and deliver to the Managing Member and Company a Uniform Commercial Code Financing Statement prepared by the Managing Member to perfect the security interest created hereunder. Upon failure by the Investor Member to make any payment of its Capital Contribution when due in accordance with the terms and conditions hereof, and the continuation of such default beyond a thirty (30) day notice and cure period, and provided that none of the conditions giving rise to a withholding of any payment of its Capital Contribution pursuant to Section 5.03 exist, the Managing Member and Company may realize upon such collateral by disposing of the Interest of the Investor Member at public or private sale, at which the Company, any Member, or any third party may bid. The Managing Member and Company may offer to sell the defaulting Investor Member's Interest to any other Person on such commercially reasonable terms and conditions as the Managing Member deems most favorable under the circumstances. If any notification of an intended disposition of the collateral is required by law, such notification shall be deemed reasonably and properly given if mailed at least ten (10) days before such disposition. Any amount which the Person acquiring the Interest of the defaulting Investor Member shall pay in consideration of the acquisition of such Interest shall be applied in the following order: first, to the payment of all reasonable fees and expenses, including legal expenses, incurred by the Managing Member and Company in connection with such sale or the related default; second, to the payment of the Capital Contribution payment then required to be paid by the defaulting Investor Member; third, to the payment, if any, of any future additional Capital Contributions of the defaulting Investor Member; and fourth, any balance to the defaulting Investor Member. Notwithstanding anything to the contrary set forth in this Agreement, the Company and Managing Member shall have all remedies available at law or equity in the event of a default by the Investor Member. The obligations of a defaulting Investor Member to the Managing Member and Company shall be extinguished upon completion of the transfer of the defaulting Investor Member's Interest to a purchaser; and the rights and benefits of a defaulting Investor Member attributable to such Interest in the Company shall terminate on the date of admission of a purchaser of such Interest pursuant to Article IX as a Substitute Investor Member, provided, however, the obligation of a defaulting Investor Member to make Capital Contributions shall be extinguished only by, and to the extent of, the aggregate of payments to be made by the purchaser or purchasers of the defaulting Investor Member's Interest.

The security interest granted pursuant to this Section 5.09 shall be released automatically upon payment in full of the Final Capital Contribution. If the Managing Member files a Uniform Commercial Code Financing Statement in connection herewith, it shall be a condition to the funding of the Final Capital Contribution that the Managing Member prepare and file a release of such statement prior to or simultaneously with the funding of the Final Capital Contribution.

ARTICLE VI CHANGES IN MANAGING MEMBERS

6.01 Withdrawal of the Managing Member.

(a) The Managing Member may withdraw from the Company or sell, transfer or assign its Interest as Managing Member only with the prior Consent of the Special Investor Member in its sole discretion, and of the Agency and the Project Lenders, if required, and only after being given written approval by the necessary parties as provided in Section 6.02, and by the Agency and the Project Lenders, if required, of the Managing Member(s) to be substituted for it or to receive all or part of its Interest as Managing Member.

(b) In the event that a Managing Member withdraws from the Company or sells, transfers or assigns its entire Interest pursuant to Section 6.01(a), it shall be and shall remain liable for all obligations and liabilities incurred by it as Managing Member before such withdrawal, sale, transfer or assignment shall have become effective, but shall be free of any obligation or liability incurred on account of the activities of the Company from and after the time such withdrawal, sale, transfer or assignment shall have become effective.

6.02 Admission of a Successor or Additional Managing Member. A Person shall be admitted as a Managing Member of the Company only if the following terms and conditions are satisfied:

(a) the admission of such Person shall have been Consented to by the Managing Member and the Special Investor Member in its sole discretion, and approved by the Agency and the Project Lenders, if required;

(b) the successor or additional Person shall have accepted and agreed to be bound by (i) all the terms and provisions of this Agreement by executing a counterpart thereof, (ii) all the terms and provisions of the Project Loan Documents by executing counterparts thereof or an assumption agreement, if requested by the Project Lenders, and (iii) all the terms and provisions of such other documents or instruments as may be required or appropriate in order to effect the admission of such Person as a Managing Member, and an amendment to the Articles evidencing the admission of such Person as a Managing Member shall have been filed, and all other actions required by Section 1.07 in connection with such admission shall have been performed;

(c) if the successor or additional Person is a corporation, it shall have provided the Company with evidence satisfactory to counsel for the Company of its authority to become a Managing Member, to do business in the Project State and to be bound by the terms and provisions of this Agreement; and

(d) Counsel for the Company shall have rendered an opinion that the admission of the successor or additional Managing Member is in conformity with the Act and that none of the actions taken in connection with the admission of the successor or additional Managing Member will cause the termination or dissolution of the Company or will cause it to be classified other than as a partnership for federal income tax purposes.

6.03 Effect of Bankruptcy, Death, Withdrawal, Dissolution or Incompetence of a Managing Member.

(a) In the event of the Bankruptcy of a Managing Member or the withdrawal, death or dissolution of a Managing Member, or an adjudication that a Managing Member is incompetent (which term shall include, but not be limited to, insanity) the business of the Company shall be continued by the other Managing Member(s); provided, however, that if the withdrawn, Bankrupt, deceased, dissolved or incompetent Managing Member is then the sole Managing Member, or if such Managing Member withdraws from the Company in contravention of the provisions of Section 6.01(a) of this Agreement, then the Company shall be terminated, unless within 90 days after receiving Notice of such Bankruptcy, withdrawal, death, dissolution or adjudication of incompetence or breach of Section 6.01(a), the Investor Member elects to designate the Special Investor Member or such other entity as the Investor Member may desire as a successor Managing Member and continue the Company upon the conversion of such Special Investor Member to the Managing Member

of the Company. Consequences of the removal of the Managing Member shall be determined under Section 8.13 hereof.

(b) Upon the Bankruptcy, death, dissolution or adjudication of incompetence of a Managing Member or breach of Section 6.01(a), such Managing Member shall immediately cease to be a Managing Member and its Interest shall without further action be converted to a Investor Member Interest; provided, however, that, if such Bankrupt, dissolved, incompetent, deceased or defaulted Managing Member is the sole remaining Managing Member, such Managing Member shall cease to be a Managing Member only upon the expiration of 90 days after Notice to the Investor Member of the Bankruptcy, death, dissolution, declaration of incompetence or default of such Managing Member; and provided further that, if such Bankrupt, dissolved, incompetent, deceased or defaulted Managing Member is the sole remaining Managing Member, the converted Company Interest of such replaced Managing Member shall be ratably reduced to the extent necessary to insure that the substitute Managing Member(s) holds Percentage Interest equal to the Percentage Interest of the Managing Member set forth in Section 5.01(a).

(c) Except as set forth above, such conversion of a Managing Member Interest to an Investor Member Interest shall not affect any rights, obligations or liabilities (including without limitation, any of the Managing Member's obligations under Section 8.10 herein) of the Bankrupt, deceased, dissolved, removed, incompetent or defaulted Managing Member existing prior to the Bankruptcy, death, dissolution, removal, incompetence or default of such person as a Managing Member (whether or not such rights, obligations or liabilities were known or had matured).

(d) If, at the time of the withdrawal, Bankruptcy, death, dissolution, adjudication of incompetence or default under Section 6.01(a) of a Managing Member, the Bankrupt, withdrawn, deceased, dissolved, incompetent or defaulted Managing Member was not the sole Managing Member of the Company, the remaining Managing Member or Managing Members shall immediately (i) give Notice to the Investor Members of such Bankruptcy, death, dissolution, adjudication of incompetence or default, and (ii) make such amendments to this Agreement and execute and file such amendments or documents or other instruments as are necessary to reflect the conversion of the Interest of the Bankrupt, deceased, dissolved, incompetent or defaulted Managing Member and his having ceased to be a Managing Member. The remaining Managing Member or Managing Members are hereby granted an irrevocable power of attorney, coupled with an interest, to execute any or all documents on behalf of the Members and the Company and to file such documents as may be required to effectuate the provisions of this Section 6.03.

(e) The Managing Member, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, agrees that in the event a Managing Member should make application for or seek protection or relief under any of the Sections or Chapters of the United States Bankruptcy Code (for purposes of this Section 9.03, the "Bankruptcy Code"), or in the event that any involuntary petition is filed against a Managing Member, then, in such event, any other Member shall thereupon be entitled to immediate relief from any automatic stay imposed by Section 362 of the Bankruptcy Code, or otherwise, on or against the exercise of the rights and remedies available to such Member pursuant to this Agreement, or otherwise. The foregoing shall in no way preclude, restrict or prevent the Managing Member from filing for protection under the Bankruptcy Code.

(f) The Members acknowledge and agree that this Agreement is a contract under which an Investor Member is excused from accepting performance from the Managing Members, its assignee or trustee, in the event that a Managing Member makes application for or seeks protection under any of the Sections or Chapters of the Bankruptcy Code, or in the event that an involuntary petition is filed against such Managing Member. The effect of this paragraph shall be that this Agreement is hereby deemed to be subject to the exceptions to assumption and assignment of contracts set forth in Sections 365I(1) and 365I(2)(A) of the Bankruptcy Code and that an Investor Member, by its refusal to consent to an assumption or assignment of this Agreement by the Managing Member, shall be able to prevent such assumption or assignment.

(g) In the event that a Managing Member makes application for or seeks relief or protection under any of the Sections or Chapters of the Bankruptcy Code, or in the event that any involuntary petition is filed against said Managing Member, then, in such event, any Member may apply or move to the bankruptcy court in which such petition is filed for a change of venue to the bankruptcy court where the Company has its principal place of business, and the Managing Member hereby agrees not to oppose or object to such application or motion in any way.

6.04 Restrictions on Transfer of Managing Member's Interests. This is an agreement under which applicable law excuses the Investor Member from accepting performance from any Managing Member which is a debtor in a case under the Bankruptcy Code, 11 U.S.C. § 101 et seq., from a trustee of any such debtor and from the assignee of any such debtor or trustee. The Investor Member has entered into this Agreement with the Managing Member in reliance upon the unique knowledge, experience and expertise of the Managing Member, and its officers in the planning and implementation of the acquisition of the Project and in the area of affordable housing and development in general. The foregoing restriction on transfer is based in part on the above factors. The Managing Member expressly agrees that the Investor Member shall not be required to accept performance under this Agreement from any person other than the Managing Member, including, without limitation, any trustee of the Managing Member appointed under the Bankruptcy Code, 11 U.S.C. § 101 et seq., and any assignee of any such trustee.

6.05 Removal of the Managing Member.

(a) Conditions for Removal. The Special Investor Member, so long as it is a Member, shall have the right to remove the Managing Member, subject to Section 6.05(b) and the terms and conditions of the Project Documents:

(i) for any fraud, gross negligence, intentional misconduct or breach of fiduciary duty in the discharge of its duties and obligations as Managing Member, or

(ii) upon the occurrence of any of the following:

(A) the Managing Member or the Company shall have violated any material provisions of the Regulatory Agreement, the Extended Use Agreement and/or any other Project Document or other document required in connection with any Project Loan or any material provisions of a Project Lender and/or Agency requirements applicable to the Project (including the failure to remedy any conditions noted in a HUD REAC inspection report), which violation has not

been explicitly waived in writing by the applicable Project Lender or the Agency, as applicable;

(B) the Managing Member or the Company shall have (i) violated any material provision of this Agreement, including, without limitation, any of its guarantees or payment obligations under Sections 5.01(g), 5.05, 8.10 and/or 16.07, (ii) violated any material provision of applicable law, (iii) breached any representation and warranty contained in Section 4.01 in any material respect beyond any applicable notice and cure periods or (iv) acted outside the scope of its duties or obligations under this Agreement;

(C) any event occurs which, with the giving of notice or passage of time would constitute a material event of default under any Project Loan;

(D) the Managing Member shall have conducted its own affairs or the affairs of the Company in such manner as would:

- (1) cause the termination of the Company for federal income tax purposes; or
- (2) cause the Company to be treated for federal income tax purposes as an association, taxable as a corporation; or
- (3) in the reasonable opinion of the Special Investor Member, cause a recapture or reduction in Certified Credits beyond that which the Managing Member has funded pursuant to the Tax Credit Compliance Guaranty or otherwise materially increase tax liabilities of the Investor Member; or
- (4) violate any federal or state securities laws; or
- (5) cause the Investor Member to be liable for Company obligations in excess of its Capital Contributions;

(E) the Managing Member fails to timely and promptly discharge the Management Agent as requested by the Special Investor Member pursuant to Section 8.15(b);

(F) any default by the Guarantor under the Guaranty or by the Developer under the Development Agreement;

(G) The Managing Member fails to fund any Operating Deficits (regardless of whether the Release Date has occurred);

(H) a material adverse change occurs in the financial position of the Guarantor after the Initial Closing which the Investor Member reasonably determines will adversely affect the ability of the Guarantors to meet their obligations under the Guaranty;

(I) the amount of Actual Credits or the amount of Actual State Credits for any year are, or are projected by the Accountants to be, less than seventy-five percent (75%) of the Projected Credits or Projected State Credits, as applicable, for that year; or

(J) the Managing Member is bankrupt or shall fail to obtain the dismissal of any case commenced against the Managing Member (i) for the appointment of a trustee for the Managing Member, or any of its property, or (ii) in Bankruptcy within 60 days following the filing of such case.

(b) Procedure for Removal. The Special Investor Member shall give Notice to all Members of its determination that the Managing Member shall be removed. The Managing Member shall have 10 days after receipt of such Notice to cure any default or other reason for such removal, in which event it shall remain as Managing Member; provided, however, that no Notice shall be required with respect to a default set forth in Sections 6.05(a)(i), (a)(ii)(I) or (a)(ii)(J) above. If, at the end of 10 days, the Managing Member has not cured any default or other reason for such removal, at the election of the Special Investor Member, and upon notice of removal to the Managing Member, the Managing Member shall cease to be Managing Member and the powers and authorities conferred on it as Managing Member under this Agreement shall cease and the Interests of such Managing Member shall be transferred to the Special Investor Member or its designee which, without further action, shall become the Managing Member; in such event, upon becoming the Managing Member, such designee shall be bound by all applicable terms and conditions of this Agreement and of the Project Documents.

(c) Managing Member Obligations and Liability Following Removal. In the event that the Managing Member is removed pursuant to the terms of this Agreement, it shall be and shall remain liable for all obligations and liabilities incurred by it as Managing Member of the Company before such removal shall become effective, including but not limited to the obligations and liabilities of the Managing Member with respect to its obligations set forth in Sections 5.01(g), 5.05, 8.10 and 16.07 of this Agreement; provided, however, that if amounts otherwise payable to the Managing Member as fees or other payments are applied to meet the obligations of the Managing Member as stated in Sections 5.01(g), 5.05, 8.10 and 16.07 of this Agreement, such application shall serve to reduce any such liabilities of the Managing Member or any successor, except for any liability incurred as the result of its gross negligence, intentional misconduct, fraud or breach of its fiduciary duties as Managing Member of the Company. If the Managing Member is removed as Member of the Company as aforesaid, the Managing Member shall not be entitled to payment of any further installments of the Incentive Management Fee, or other fees or payments which otherwise would have been due and payable under this Agreement. Notwithstanding any provision herein to the contrary, any Managing Member who is removed as a Managing Member of the Company shall be free of any obligations or liabilities incurred due to activities solely conducted by the Company after the effective date of such removal.

(d) Power of Attorney. After the occurrence of a default listed in this Section 6.05, the Special Investor Member hereby is granted an irrevocable power of attorney, coupled with an interest, to execute any and all documents on behalf of the Members and the Company as shall be legally necessary and sufficient to effect all of the foregoing provisions of this Section 6.05. The election by the Special Investor Member to remove the Managing Member under this Section shall not limit or restrict the availability and use of any other remedy which the Investor Member or any other Member might have under this Agreement with respect to the Managing Member in connection with its undertakings and responsibilities under this Agreement.

ARTICLE VII
ASSIGNMENT TO THE COMPANY

7.01 Assignment to the Company. The Managing Member hereby transfers and assigns to the Company all of its right, title and interest in and to the Project, including the following:

- (a) all contracts with architects, contractors and supervising architects with respect to the development of the Project;
- (b) all plans, specifications and working drawings, heretofore prepared or obtained in connection with the Project and all governmental approvals obtained, including planning, zoning and building permits;
- (c) any and all commitments with respect to the Project Loans, the State Tax Credits and the Tax Credits;
- (d) any and all rights under and pursuant to the Project Documents; and
- (e) any other work product related to the Project.

ARTICLE VIII
RIGHTS, OBLIGATIONS AND POWERS
OF THE MANAGING MEMBER

8.01 Management of the Company.

(a) Except as otherwise set forth in this Agreement, the Managing Member, within the authority granted to it under this Agreement, shall have full, complete and exclusive discretion to manage and control the business of the Company for the purposes stated in Article III, shall make all decisions affecting the business of the Company and shall manage and control the affairs of the Company to the best of its ability and use its best efforts to carry out the purpose of the Company. In so doing, the Managing Member shall take all actions necessary or appropriate to protect the interests of the Investor Members and of the Company. The Managing Member shall devote such time as is necessary to the affairs of the Company.

(b) Except as otherwise set forth in this Agreement and subject to the applicable Project Lender and/or Agency rules and regulations and the provisions of the Project Loan Documents, the Managing Member (acting for and on behalf of the Company), in extension and not in limitation of the rights and powers given by law or by the other provisions of this Agreement, shall, in its sole discretion, have the full and entire right, power and authority in the management of the Company business to do any and all acts and things necessary, proper, convenient or advisable to effectuate the purpose of the Company. In furtherance and not in limitation of the foregoing provisions, the Managing Member is specifically authorized and empowered to execute and deliver, on behalf of the Company, the Project Loan Documents, the Regulatory Agreement, the Extended Use Agreement, and the other Project Documents, and to execute any and all other instruments and documents, and amendments thereto provided the Special Investor Member shall be provided with the opportunity to review and Consent, in its sole discretion, to any such documents prior to

their execution by the Managing Member, as shall be required in connection with the Project Loans, including, but not limited to, executing any mortgage, note, contract, building loan agreement, bank resolution and signature card, release, discharge, or any other document or instrument in any way related thereto or necessary or appropriate in connection therewith. Copies of all applications for advances of proceeds of the Project Loans shall be provided to the Investor Member simultaneously with the submission to the lender and shall be subject to the Consent of the Special Investor Member prior to disbursement of any funds pursuant thereto; and provided further that any such applications which provide for the disbursement of funds of the Company in lieu of or in addition to the proceeds of the Project Loans shall be subject to the Consent of the Special Investor Member. All decisions made for and on behalf of the Company by the Managing Member shall be binding upon the Company. No Person dealing with the Managing Member shall be required to determine its authority to make any undertaking on behalf of the Company, nor to determine any facts or circumstances bearing upon the existence of such authority.

8.02 Limitations Upon the Authority of the Managing Member.

(a) The Managing Member shall not have any authority to:

(i) perform any act in violation of any applicable law or regulation thereunder;

(ii) perform any act in violation of the provisions of the Regulatory Agreement, the Extended Use Agreement, the Project Loan Documents, or any other Project Document;

(iii) do any act required to be Consented to or ratified in writing by the Investor Members under the Act unless the right to do so is expressly otherwise given in this Agreement;

(iv) knowingly rent apartments in the Project such that the Project would not meet the requirements of the Rent Restriction Test or Minimum Set-Aside Test;

(v) borrow from the Company or commingle Company funds with funds of any other Person; or

(vi) execute or deliver any general assignment for the benefit of creditors or file a petition or acquiesce in the filing of a petition for Bankruptcy.

(b) The Managing Member shall not, without the Consent of the Special Investor Member, in its sole discretion, have any authority to:

(i) sell or otherwise dispose of, at any time, all or substantially all of the assets of the Company;

(ii) materially amend the terms of any Project Documents;

(iii) amend the terms of any Project Loan or any Project Loan Document to be other than those set forth on **Exhibit B** attached hereto or, following Final Closing, refinance any Project Loan;

(iv) borrow in excess of \$10,000 in the aggregate at any one time outstanding on the general credit of the Company, except IM Loans and Operating Deficit Loans, and except as and to the extent provided for in an approved budget pursuant to Section 8.19;

(v) agree to any material change order for the Construction Contract, provided that the Special Investor Member shall use reasonable efforts to respond to the Managing Member's request for Consent within 10 Business Days of the Special Investor Member's receipt of all appropriate documents and information;

(vi) other than as set forth in the Plans and Specifications, construct any new or replacement capital improvements on the Project which substantially alter the Project or its use or which are at a cost in excess of \$10,000 in a single Company fiscal year, or rebuild the Project with the use of insurance proceeds, except (a) replacements and remodeling in the ordinary course of business or under emergency conditions, or (b) reconstruction paid for from insurance proceeds, or (c) as and to the extent provided for in an approved budget pursuant to Section 8.19;

(vii) acquire any real property in addition to the Project other than easements reasonable and necessary for the operation of the Project;

(viii) confess a judgment against the Company in excess of \$5,000, or commence or settle, or acquiesce in the commencement or settlement of any legal actions, arbitration, or other like proceedings involving the Company or the Managing Member;

(ix) admit any Person as a Managing Member or an Investor Member, or withdraw as Managing Member;

(x) do any act in contravention of this Agreement or any other agreement to which the Company is a party;

(xi) execute or deliver any assignment for the benefit of the creditors of the Company;

(xii) transfer or hypothecate the Managing Member's interest as a Managing Member in the Company, including its interest in Company allocations or distributions, except as otherwise provided in this Agreement or effectuate or permit a change in ownership or control of the Managing Member, whether direct or indirect, by operation of law or otherwise;

(xiii) dissolve the Company or take any action which would result in dissolution;

(xiv) refinance, prepay or materially modify the terms of any mortgage or long-term liability of the Company, or sell, grant an option to acquire, exchange, mortgage, encumber, pledge or otherwise transfer all or any portion of any interest in the Company or the Company's interest in the Project, or borrow funds or participate in a merger or consolidation with any other entity;

(xv) change the nature of the business of the Company, or do any act which would make it impossible to carry on the ordinary business of the Company;

(xvi) materially change any accounting method or practice of the Company;

(xvii) file a voluntary petition for bankruptcy of the Company;

(xviii) make any expenditure or incur any liability on behalf of the Company in excess of \$10,000 which is not identified in any budget Consented to by the Special Investor Member, except with respect to emergency repairs necessary to protect the safety and comfort of the tenants or the structural integrity of the Project;

(xix) possess Company property or assign rights in specific property for other than a business purpose of the Company;

(xx) take any action which would cause the termination of the Company for federal income tax purposes under Code Section 708;

(xxi) make, amend or revoke any tax election required of or permitted to be made by the Company under the Code or Regulations, including, without limitation, any election under Section 42 (including an election to treat any year other than 2016 as the first year of the Credit Period (as defined in Code Section 42(f) for the Project) or Section 754 of the Code;

(xxii) enter into any agreement or take any action without the prior Consent of the Special Investor Member or Investor Member with respect to any matters for which the prior Consent of the Special Investor Member or Investor Member is a prerequisite;

(xxiii) approve any increase in fees to the Managing Member or any Affiliate of the Managing Member;

(xxiv) change in ownership, control or management of the Managing Member and/or those entities referenced in Section 4.01(t); or

(xxv) allow this Agreement to be amended.

8.03 Sale of Project.

(a) Investor Member Request for Sale. Notwithstanding the foregoing Section 8.02, and subject to the Purchase Option and all Agency regulations then in effect and the receipt of all required approvals and consents of the Project Lenders, and subject further to the extended use requirements applicable pursuant to Section 42(h)(6) of the Code, at any time after the fourteenth (14th) anniversary of the first day of the first taxable year of the applicable Tax Credit compliance period the Investor Member may request that the Company do one of the following: (i) sell the Project subject to the Extended Use Agreement (a “Continued Compliance Sale”); or (ii) to the extent not waived in the application for Tax Credits submitted to the Agency, request that the Agency arrange for the sale of the Project after receipt of a Qualified Contract (a “Compliance Termination Sale”).

(b) Continued Compliance Sale. After receipt of a request for a Continued Compliance Sale, the Managing Member shall use its best efforts to find a third party purchaser for the Project and to cause the Company to consummate a sale of the Project subject to the Extended Use Agreement and on terms Consented to by the Investor Member. If such efforts are not successful on terms reasonably satisfactory to the Investor Member within six (6) months, the Investor Member shall have the right thereafter to locate a purchaser for the Project. If the Investor Member locates such a purchaser, the Managing Member shall be given a right of first refusal to purchase the Project on the same terms and conditions as would be applicable to such purchaser. If such right of first refusal is not exercised by the Managing Member within 30 days, then the Managing Member shall be obligated to Consent to the sale to such purchaser so long as the purchase price and other terms offered by such purchaser are at least as favorable to the Company as the best offer, if any, located by the Managing Member.

(c) Compliance Termination Sale. After receipt of a request for a Compliance Termination Sale, the Managing Member shall make a request to the Agency to obtain a buyer who is willing to operate the low-income units of the Project as a qualified low-income building and who will submit a Qualified Contract for the Project, and if no Qualified Contract is submitted within one year of the date of the Managing Member's request to the Agency, the Managing Member shall use its best efforts to find a third party purchaser and to cause the Company to consummate a sale of the Project to such purchaser on terms Consented to by the Investor Member and free of the restrictions imposed by the Extended Use Agreement. If such efforts are not successful on terms reasonably satisfactory to the Investor Member within six (6) months, the Investor Member shall have the right thereafter to locate a purchaser for the Project. If the Investor Member locates such a purchaser, the Managing Member shall be given a right of first refusal to purchase the Project on the same terms and conditions as would be applicable to such purchaser. If such right of first refusal is not exercised by the Managing Member within 30 days, then the Managing Member shall be obligated to consent to the sale to such purchaser so long as the purchase price and other terms offered by such purchaser are at least as favorable to the Company as the best offer, if any, located by the Managing Member.

(d) Investor Member Put. At all times after the end of the Compliance Period, the Investor Member, shall have the right, in its sole and absolute discretion, to put its entire Interest to the Managing Member (or its designee) for a price equal to the sum of the following: (i) \$100.00 and (ii) all amounts due and owing to the Investor Member under this Agreement. Such transfer shall be made pursuant to an assignment and assumption agreement reasonably acceptable to the parties.

8.04 Management Purposes. In conducting the business of the Company, the Managing Member shall be bound by the Company's purposes set forth in Article III.

8.05 Delegation of Authority. The Managing Member may delegate all or any of its powers, rights and obligations hereunder, and may appoint, employ, contract or otherwise deal with any Person for the transaction of the business of the Company, which Person may, under supervision of the Managing Member, perform any acts or services for the Company as the Managing Member may approve, but in no event shall such delegation of duties relieve the Managing Member of its obligations hereunder, including its fiduciary obligations to the other Members.

8.06 Managing Member or Affiliates Dealing with Company. The Managing Member or any

Affiliates thereof shall have the right to contract or otherwise deal with the Company for the sale of goods or services to the Company in addition to those set forth herein, if (a) compensation paid or promised for such goods or services is reasonable (i.e., at fair market value) and is paid only for goods or services actually furnished to the Company, (b) the goods or services to be furnished shall be reasonable for and necessary to the Company, (c) the fees, terms and conditions of such transaction are at least as favorable to the Company as would be obtainable in an arm's-length transaction, (d) no agent, attorney, accountant or other independent consultant or contractor who also is employed on a full-time basis by the Managing Member or any Affiliate shall be compensated by the Company for his services. Any contract covering such transactions shall be in writing and shall be terminable without penalty on 60 days' Notice. Any payment made to the Managing Member or any Affiliate for such goods or services shall be fully disclosed to all Investor Members in the reports required under Section 13.04. Neither the Managing Member nor any Affiliate shall, by the making of lump sum payments to any other Person for disbursement by such other Person, circumvent the provisions of this Section 8.06.

8.07 Other Activities. Except as limited in Section 8.06, Affiliates of the Managing Member may engage in or possess interests in other business ventures of every kind and description for their own account, including, without limitation, serving as general partner or managing member of other partnerships or limited liability companies which own, either directly or through interests in other partnerships, limited liability companies, government assisted housing developments similar to the Project. Neither the Company nor any of the Members shall have any rights by virtue of this Agreement in or to such other business ventures or to the income or profits derived therefrom.

8.08 Liability for Acts and Omissions. No Managing Member or Affiliate thereof shall be liable, responsible or accountable in damages or otherwise to any of the Members for any act or omission performed or omitted by it in good faith on behalf of the Company and in a manner reasonably believed by it to be within the scope of the authority granted to it by this Agreement and in the best interest of the Company, provided that the protection afforded the Managing Member pursuant to this Section 8.08 shall not apply in the case of gross negligence, intentional misconduct, fraud or any breach of fiduciary duty as Managing Member with respect to such acts or omissions. Any loss or damage incurred by any Managing Member or Affiliate thereof by reason of any act or omission performed or omitted by it or any of them in good faith on behalf of the Company and in a manner reasonably believed by it to be within the scope of the authority granted by this Agreement and in the best interests of the Company (but not, in any event, any loss or damage incurred by the Managing Member or Affiliate thereof by reason of gross negligence, intentional misconduct or fraud of the Managing Member or Affiliate thereof, or any breach of fiduciary duty as Managing Member, with respect to such acts or omissions) shall be paid from Company assets to the extent available (but the Investor Members shall not have any personal liability to the Managing Member or Affiliate(s) thereof under any circumstances on account of any such loss or damage incurred by the Managing Member or Affiliate(s) thereof or on account of the payment thereof).

8.09 Indemnification of Investor Member and the Company. The Managing Member and the Company shall, jointly and severally, indemnify, defend, and save harmless the Investor Member from and against any claim, loss, expense, action or damage, including without limitation, reasonable costs and expenses of litigation and appeal (and the reasonable fees and expenses of counsel) asserted against the Investor Member based on any act, omission, malfeasance or nonfeasance of the Company or the Managing Member, including without limitation any claim that the Investor Member is liable for any indebtedness of the Company and excluding only liability directly caused by the Investor Member's gross negligence, intentional misconduct or fraud. In addition, the Managing Member and the Company shall, jointly and severally, indemnify, defend,

save and hold harmless the Investor Member, and its representatives, from and against any and all costs, losses, liabilities, damages, lawsuits, proceedings (whether formal or informal), investigations, judgments, orders, settlements, recoveries, obligations, deficiencies, claims and expenses (whether or not arising out of third party claims), including, without limitation, interest, penalties, attorneys' fees and all amounts paid in investigation, or settlement of any of the foregoing, incurred in connection with or arising out of or resulting from the operations of the Managing Member, the Company or the Project prior to the Initial Closing.

8.10 Construction of the Project, Construction Cost Overruns, Operating Deficits; Other Managing Member Guarantees.

(a) Construction Completion Guaranty and Pre-Stabilization Operating Deficit Guaranty.

(i) The Managing Member shall be responsible for:

(A) achieving completion of construction of the Project on a timely basis in a good and workmanlike manner without construction defects in accordance with the Plans and Specifications for the Project, the terms of this Agreement, the Project Documents and all applicable federal, state and local governmental requirements, including, without limitation, all local building and zoning laws, codes, ordinances, rules, regulations and orders and, if applicable, any deficiencies noted in any HUD REAC inspection report for the Project;

(B) meeting all requirements for obtaining all necessary unconditional certificates of occupancy for all the apartment units in the Project;

(C) fulfilling all actions required of the Company to assure that the Project satisfies the Minimum Set-Aside Test and the Rent Restriction Test;

(D) causing the making of the Project Loans by the respective Project Lenders;

(E) funding of all reserves required to be established on or prior to Final Closing pursuant to Section 4.02 of this Agreement (including without limitation, the Operating Reserve and the Reserve Fund for Replacements) or pursuant to the terms of any Project Loan;

(F) paying for all Operating Deficits of the Project prior to the Stabilization Date; and

(G) achieving Substantial Completion, Final Closing and the Stabilization Date.

(ii) The Managing Member is obligated to pay all Excess Development Costs; the Company shall have no obligation to pay any Excess Development Costs. Any amounts paid by the Managing Member pursuant to this clause (ii) shall not be repaid by the Company, nor shall such amounts be considered or treated as Capital Contributions of the Managing Member to the Company.

(iii) In the event that the Managing Member shall fail to pay any such Excess Development Costs as required in this Section 8.10(a), the total of any remaining unpaid installments of the Development Fee due pursuant to Section 8.11 may be suspended by the Company, subject to the Consent of the Investor Member in its sole discretion, until such obligations are met by the Managing Member.

(iv) Any suspension of funds as may be required in this Section 8.10(a) and otherwise payable pursuant to Section 8.11 as aforesaid shall not constitute reductions in amounts owed pursuant to Section 8.11 and the Development Agreement, and the Managing Member shall have the obligation to make a Capital Contribution pursuant to Section 5.01(b) sufficient to make such installment payments as they become due under the Development Agreement.

(b) Post-Stabilization Operating Deficit Guaranty. In the event that, at any time during the period commencing on achievement of the Stabilization Date and ending on the Release Date, an Operating Deficit shall exist, the Managing Member shall provide such funds to the Company as shall be necessary to pay such Operating Deficit(s); provided, however, that the Managing Member shall not be obligated to provide such funds to the extent that the provision of such funds, if considered an Operating Deficit Loan as hereinafter defined, would cause the aggregate unpaid balance of all Operating Deficit Loans to exceed \$890,000. Funds provided after the achievement of the Stabilization Date shall be in the form of a loan to the Company (the "Operating Deficit Loan(s)"). Any Operating Deficit Loan shall be on the following terms: (i) it shall be unsecured; (ii) it shall not bear interest; (iii) it shall be repayable solely from Net Cash Flow and proceeds of a Capital Transaction at the time and in the amounts set forth in Sections 11.03(b), 11.04 and 12.02(a) of this Agreement; and (iv) Operating Deficit Loans shall be fully subordinated to payment of Project Loans, IM Loans, MM Loans, indebtedness of the Company to all Persons other than Members and the Asset Management Fee. In the event that the Managing Member shall fail to make any such Operating Deficit Loan as aforesaid, the Company, after obtaining the Consent of the Investor Member, may suspend amounts otherwise payable as installments of the Development Fee pursuant to Section 8.11 of this Agreement until such obligation to fund the Operating Deficit Loan is met by the Managing Member. Any amounts of the Development Fee so suspended shall not constitute reductions of amounts owed pursuant to Section 8.11 and the Development Agreement, and the Managing Member shall have the obligation to make a Capital Contribution pursuant to Section 5.01(b) sufficient to make such installment payments as they become due under the Development Agreement. For the purpose of this Section 8.10(b), all expenses shall be paid on a 60 day current basis. Notwithstanding the foregoing, if, as of the Release Date, the balance of the Operating Reserve is less than \$430,000, the obligation of the Managing Member to provide funds to pay Operating Deficits shall continue until the balance in the Operating Reserve is equal to or greater than \$430,000.

(c) Tax Credit Compliance Guaranty. The following is herein referred to as the "Tax Credit Compliance Guaranty":

(i) If with respect to any fiscal year of the Company there is a Tax Credit Shortfall, the Managing Member irrevocably and unconditionally guarantees, within 45 days following the close of such fiscal year, payment to the Investor Member of an amount equal to (A) the amount of the Tax Credit Shortfall for the fiscal year immediately preceding the payment due date, (B) all penalties and interest imposed by

the Code and assessed against the Investor Member by the Service with respect to any Tax Credit Shortfall, and (C) an amount sufficient to pay any tax liability owed by the Investor Member resulting from the receipt of the amounts specified in the foregoing clauses (A), (B) and this clause (C) of this Section 8.10(c)(i) (such calculation to be made assuming the Investor Member is subject to the highest federal and state tax rates imposed on corporate taxpayers under the Code at that time for the taxable year of the Investor Member in which such payment is taken into income by the Investor Member) together with interest on such amounts at the Prime Rate accruing from such payment due date.

(ii) The Managing Member irrevocably and unconditionally guarantees payments specified in this Section 8.10(c)(ii) to the Investor Member if there is a Tax Credit Recapture Event. The payments required by this Section 8.10(c)(ii) shall be the sum of the following amounts: (A) the amount of Tax Credits previously allocated to the Investor Member and subsequently disallowed because of such Tax Credit Recapture Event; (B) the “credit recapture amount” (as defined in Code Section 42(j)(2)) allocated to the Investor Member because of such Tax Credit Recapture Event; (C) all penalties and interest imposed by the Code and assessed against the Investor Member by the Service with respect to such Tax Credit Recapture Event; (D) if the cause of the Tax Credit Recapture Event will, in the reasonable determination of the Investor Member, decrease the maximum amount of Tax Credits that will be available to the Company and allocated to the Investor Member during the remainder of the Compliance Period, assuming full compliance with Section 42 of the Code, then an amount equal to the total amount of such decrease; and (E) an amount sufficient to pay any tax liability owed by the Investor Member resulting from the receipt of the amounts specified in the foregoing clauses (A), (B), (C), (D) and this clause (E) of this Section 8.10(c)(ii) (such calculation to be made assuming the Investor Member is subject to the highest federal and state tax rate imposed on corporate taxpayers under the Code at that time for the taxable year of the Investor Member in which such payment is taken into income by the Investor Member) together with interest on such amounts at the Prime Rate accruing from the date the Investor Member remits funds to a taxing authority with respect to a Tax Credit Recapture Event. The Managing Member shall make such payment to the Investor Member within 45 days of the Tax Credit Recapture Event.

(iii) Notwithstanding any provisions in Section 5.01 and Section 8.10(c) to the contrary, there shall be no adjustment in the Investor Member’s Capital Contribution or liability under the Tax Credit Compliance Guaranty resulting from a Downward Capital Adjustment, Tax Credit Shortfall or Tax Credit Recapture Event, if such Downward Capital Adjustment, Tax Credit Shortfall or Tax Credit Recapture Event is due solely to (x) the transfer by the Investor Member of all or a portion of its Interest in the Company or (y) a repeal, amendment or modification to Section 42 of the Code, or other applicable section of the Code or the regulations thereunder after the date hereof with which the Managing Member is unable to comply despite the exercise good faith and reasonable efforts.

(d) Project Loan Funding Guaranty. The Managing Member irrevocably and unconditionally guarantees and covenants that the Company shall take all actions necessary to cause the full funding of the Project Loans on or before August 31, 2017, on the terms set forth on **Exhibit B** attached hereto. The Project Loan documents shall contain such other

terms as may be Consented to by the Investor Member. The Managing Member shall have no authority to enter into the Permanent Loan if the Debt Service Coverage Ratio would be less than 1.15 to 1.0. In the event that the amount of the Permanent Loan must be reduced in order to achieve a 1.15 to 1.0 Debt Service Coverage Ratio, the Managing Member, the Guarantor (pursuant to the Guaranty) and the Developer (pursuant to the Development Agreement) shall be jointly and severally obligated to provide funds to the Company in the amount of any difference between the reduced amount of the Permanent Loan and the anticipated amount of the Permanent Loan as set forth in the Projections (a "Financing Shortfall"). Funds expended by the Managing Member, the Developer or the Guarantor in connection with a Financing Shortfall, pursuant to their respective obligations hereunder, under the Development Agreement or pursuant to the Guaranty respectively, shall be made available without right of reimbursement, and any funds provided shall not be deemed Capital Contributions or MM Loans by the Managing Member and shall not affect the Members' rights to distributions hereunder.

8.11 Development Fee. The Company has entered into a Development Agreement of even date herewith with the Developer for its services in connection with the development and construction of the Project. In consideration for such services, a Development Fee in a total amount equal to \$2,621,400 shall be payable by the Company, in accordance with the terms of the Development Agreement and Article XI of this Agreement. Of the total Development Fee, \$1,184,703 is anticipated to be deferred and paid out of Net Cash Flow. The Managing Member guarantees payment by the Company of the Development Fee as provided in Section 5.01(b).

8.12 Incentive Management Fee. The Company has entered into an Incentive Management Fee Agreement with the Managing Member of even date herewith for its services in managing the business of the Company for the period from the date hereof throughout the term of the Company. In no event shall the Incentive Management Fee be cumulative. Payment of such fee shall be in accordance with any applicable requirements of the Project Lenders.

8.13 Withholding of Fee Payments.

(a) Conditions for Withholding. In the event that (i) the Managing Member or any successor Managing Member shall not have substantially complied with any material provisions under this Agreement after Notice from the Investor Member of such noncompliance and failure to cure such noncompliance within a period of 30 days from and after the date of such Notice, or (ii) any Project Lender shall have declared the Company to be in default under any Project Loan, or (iii) foreclosure proceedings shall have been commenced against the Project, then (A) the Managing Member shall be in default of this Agreement, and the Company may, after obtaining the Consent of the Investor Member, withhold payment of any installment of fees and/or allowance payable pursuant to Sections 8.11 and/or 8.12 and (B) the Managing Member shall be liable for the Company's payment of any and all installments of the Development Fee payable pursuant to Section 8.11. Any amount of Development Fee withheld hereunder shall be withheld only until such time as the final payment is due under the Development Agreement and shall be paid in accordance with Section 5.01(b) hereof.

(b) Release of Fees. All amounts so withheld by the Company under this Section 8.13 shall be promptly released to the payees thereof only after the Managing Member has cured the default justifying the withholding, as demonstrated by evidence reasonably acceptable to the Investor Member.

8.14 Selection of Management Agent. The Company shall engage such person, firm or company as the Managing Member may select, subject to the Special Investor Member's Consent, to manage the operation of the Project during the rent up period and following Final Closing. The Management Agent shall be paid a management fee subject to the approval of the Agency and/or the Project Lenders, if required, and the Consent of the Special Investor Member, but in no event will the annual management fee be greater than five percent (5.0%) of the annual gross revenues of the Project. The contract between the Company and the Management Agent and the management plan for the Project, shall be in a form reasonably acceptable to the Special Investor Member. Such contract shall provide, among other things, that it shall be cancelable upon 30 days' prior notice from the Company, and that, if the Management Agent is an Affiliate of the Managing Member, the Management Agent will accrue the management fee to the extent necessary at any time to prevent a default under any Project Loan. Further, if the Management Agent is an Affiliate of the Managing Member, the Management Agent will accrue the management fee until all other operating expenses are paid unless otherwise agreed by the Special Investor Member, and, if required, the Project Lenders. Capital Realty Group, Inc. shall be the initial Management Agent.

8.15 Removal of the Management Agent. The Managing Member:

(a) may, upon receiving any required approval of the Agency and Project Lenders, if required, and Consent of the Special Investor Member, dismiss the Management Agent as the entity responsible for the management of the Project under the terms of the contract between the Company and the Management Agent,

(b) shall, at the request of the Special Investor Member, remove the Management Agent if the Special Investor Member determines that the same is necessary to protect the interests of the Company or if the Management Agent is declared Bankrupt, is dissolved, or makes an assignment for the benefit of its creditors, or for any intentional misconduct by the Management Agent or its negligence in the discharge of its duties and obligations as Management Agent (subject to the fulfillment and expiration of any notice and/or opportunity to cure provisions of the Management Agreement), including, without limitation, for any action or failure to take any action which:

(i) violates in any material respect any provision of the Management Agreement entered into with the Company and approved by the Project Lenders, if required, and/or any material provision of the Project Documents and/or the Loan Documents applicable to the Project, or the Project Lenders' approved management plan for the Project;

(ii) violates in any material respect any provision of this Agreement or any provision of applicable law; or

(iii) causes the Project to be operated in a manner which if continued would give rise to an event which would cause or would likely cause a recapture of Tax Credit; and

(c) shall include in any Management Agreement, a provision that the Special Investor Member shall have the right to terminate the Management Agreement in the event the Managing Member is removed pursuant to the terms of this Agreement.

8.16 Replacement of the Management Agent. Upon the removal of the Management Agent as the entity responsible for the management of the Project, a substitute Management Agent shall be named by the Managing Member, subject to the approval of the Project Lenders, if required, and the Consent of the Special Investor Member.

8.17 Loans to the Company. The Company is authorized to receive the Project Loans, Operating Deficit Loans, MM Loans and IM Loans on the terms set forth in this Agreement. In addition, if (a) additional funds are required by the Company for any purpose relating to the business of the Company or for any of its obligations, expenses, costs or expenditures, and (b) the Company has not received Operating Deficit Loans, MM Loan or an IM Loan to pay such amounts, then the Company may, subject to the Consent of the Investor Member, borrow such funds as are needed from a Person or organization, other than a Member or an Affiliate of a Member, in accordance with the terms of this Section 8.17, for such period of time and on such terms as the Managing Member and the Investor Member may agree. Nothing in this Section 8.17 shall modify or affect the obligation of the Managing Member to make Operating Deficit Loans and to perform its obligations when and as required by this Agreement.

8.18 Guaranty. Concurrently with the Initial Closing, the Managing Member shall deliver to the Investor Member (a) the Guaranty fully executed by each Guarantor, and (b) an opinion of counsel to the Guarantors in form satisfactory to the Investor Member regarding the Guaranty.

8.19 Operating and Capital Budgets. Not less than 60 days prior to the commencement of each fiscal year, the Managing Member shall submit to the Special Investor Member for its Consent, detailed proposed operating and capital budgets for the Project and the Company for the next fiscal year. Such budgets shall specifically list all budgeted expenses in all major categories including, but not limited to, administration, operation, repairs and maintenance, utilities, taxes, insurance, interest, debt service with respect to the Project Loans, capital improvements, and all budgeted expenses which are to be paid to the Managing Member or its Affiliates. The Special Investor Member shall submit its response to such proposed budgets to the Managing Member within 45 days (or such shorter period of time as may be requested by any Project Lender, but in no event less than 30 days) after its receipt of such proposed budgets; such response shall either evidence its Consent to the proposed budgets or shall contain specific comments and recommendations with respect thereto. If no such response is submitted to the Managing Member within such period, the Special Investor Member will be deemed to have Consented to such budgets.

ARTICLE IX
TRANSFERS AND RESTRICTIONS ON TRANSFERS
OF INTERESTS OF INVESTOR MEMBERS

9.01 Transfer of Investor Members' Interests.

(a) The Investor Member shall have the right to transfer all or any portion of its Interests, without the Consent of the Managing Member, to a Fund, at any time and from time to time. The Investor Member shall have the right to sell, transfer and/or assign limited partner or investor member interests within the Fund, without the Consent of the Managing Member, at any time and from time to time. Additionally, the Investor Member shall have the right to sell, transfer and/or assign its Interests, without the Consent of the Managing Members, to any other Person once during the term of this Agreement provided that such transferee or assignee of the Investor Member Interests assumes all of the obligations of the

Investor Member under this Agreement in the manner set forth in this Article IX. In the event of a transfer of the Investor Member Interest to a Person (other than a Fund) prior to the time that the Investor Member has made all of its Capital Contributions, the Consent of the Managing Member will be required. The Investor Member shall provide Notice to the Managing Member of any transfer of its Interest.

(b) Except as described in Section 9.01(a), under no circumstances will any offer, sale, transfer, assignment, hypothecation or pledge of any Investor Member Interest be permitted unless the Managing Member, in its sole discretion, shall have Consented thereto, and the Project Lenders, if required, also shall have consented thereto, provided however, that the Managing Member's Consent shall not be required for a pledge by the Investor Member of its Investor Member Interest or a transfer of its right to receive distributions hereunder, so long as no pledgee or transferee shall have any right to become a Substitute Investor Member in the Company or exercise any voting rights of the Investor Member. Notwithstanding the foregoing, in no event shall the Managing Member's Consent to a transfer of the Investor Member's Interest be required after the Investor Member has made all Capital Contributions required hereunder.

9.02 Admission of Substitute Investor Members.

(a) Subject to the other provisions of this Article IX, an assignee of the Interest of an Investor Member pursuant to Section 9.01(a) (which shall be understood to include a Fund, or any purchaser, transferee, donee, or other recipient of any disposition of such Interest) shall be deemed admitted as a Substitute Investor Member of the Company upon Notice to the Managing Member without the need for further action of any parties or the need for an amendment hereto; provided, that upon such admission as a Substitute Investor Member, such assignee or transferee will be deemed to have assumed all obligations of the Investor Member, including the obligation to make all required Capital Contributions, under this Agreement and further provided that an amended Certificate evidencing the admission of such Person as an Investor Member shall be promptly filed for recording pursuant to the requirements of the Act, if required.

(b) Subject to the other provisions of this Article IX, an assignee of the Interest of an Investor Member other than pursuant to Section 9.01(a), shall be deemed admitted as a Substitute Investor Member of the Company upon completion of the following:

(i) Consent of the Managing Member and the consent of the Project Lenders, if required, shall have been given; such Consent of the Managing Member may be evidenced by the execution by the Managing Member of an amended Agreement and/or Articles evidencing the admission of such Person as an Investor Member pursuant to the requirements to the Act, provided, however, that no Consent shall be required for any sale, transfer or assignment pursuant to Section 9.01(a);

(ii) the assignee shall have accepted and agreed to be bound by the terms and provisions of this Agreement by executing the Assignment pursuant to which it assumes all of the obligations of the Investor Member to be performed hereunder from and after the effective date of the Assignment;

(iii) an amended Agreement or Articles evidencing the admission of such Person as an Investor Member shall have been filed for recording pursuant to the requirements of the Act, if required; and

(iv) if the assignee is a corporation, limited liability company or other entity, then the assignee shall have provided the Managing Member with evidence satisfactory to Counsel for the Company of its authority to become an Investor Member under the terms and provisions of this Agreement.

(c) For the purpose of allocation of profits, losses and credits, and for the purpose of distributing cash of the Company, a Substitute Investor Member shall be treated as having become, and as appearing in, the records of the Company as a Member upon his signing of an assumption agreement agreeing to be bound hereby in the case of an assignment pursuant to Section 9.01(a) or an amendment to this Agreement agreeing to be bound hereby in the case of an assignment pursuant to Section 9.01(b).

(d) The Managing Member shall cooperate with the Person seeking to become a Substitute Investor Member by preparing the documentation required by this Section and making all official filings and publications. In such event, the Company shall take all such action, including the filing, if required, of any amended Agreement and/or Articles evidencing the admission of any Person as an Investor Member, filing of tax returns and the making of any other official filings and publications, as promptly as practicable after the satisfaction by the assignee of the Interest of an Investor Member of the conditions contained in this Article IX to the admission of such Person as an Investor Member of the Company. Any cost or expense incurred by the Company in connection with preparation and filing of such documentation shall be borne by the Investor Member.

(e) Prior to admission of the Substitute Investor Member, the Managing Member agrees to provide, at the expense of the Investor Member and upon the request of the Investor Member or its assignee, a “date down” title endorsement (as described in **Exhibit K** and to execute such documents as the Title Company may require in connection therewith), an environmental update, tax and judgment lien searches and legal opinion updates.

9.03 Rights of Assignee of Company Interest.

(a) Except as provided in this Article and as required by operation of law, the Company shall not be obligated for any purpose whatsoever to recognize the assignment by any Investor Member of its Interest until the Company has received actual Notice thereof, and provided any Consents that may be required under the Project Documents.

(b) Any Person who is the assignee of all or any portion of an Investor Member’s Interest, but does not become a Substitute Investor Member, and who desires to make a further assignment of such Interest, shall be subject to all the provisions of this Article IX to the same extent and in the same manner as any Investor Member desiring to make an assignment of its Interest.

ARTICLE X RIGHTS AND OBLIGATIONS OF INVESTOR MEMBERS

10.01 Management of the Company. No Investor Member shall take part in the management

or control of the business of the Company nor transact any business in the name of the Company. Except as otherwise expressly provided in this Agreement, no Investor Member shall have the power or authority to bind the Company or to sign any agreement or document in the name of the Company. No Investor Member shall have any power or authority with respect to the Company except insofar as the consent of any Investor Member shall be expressly required and except as otherwise expressly provided in this Agreement.

10.02 Limitation on Liability of Investor Members. The liability of each Investor Member is limited to its Capital Contribution as and when payable under the provisions of this Agreement, and as provided under the Act. No Investor Member shall have any other liability to contribute money to, or in respect of the liabilities or obligations of, the Company, nor shall any Investor Member be personally liable for any obligations of the Company, except as and to the extent provided in the Act. No Investor Member shall be obligated to make loans to the Company.

10.03 Disclosures by the Investor Members. The Managing Member acknowledges and expressly agrees that the Investor Member, the Special Investor Member and their respective partners and Affiliates may (i) share or disclose information with or to investors, proposed investors, their agents and representatives, regulators and Agencies, and (ii) discuss matters related to the Project and Company and share or disclose information with Project Lenders, parties to Project Documents, prospective lenders, the Agency and other regulatory agencies, and any such disclosures and discussions are expressly permitted and agreed to and shall not constitute a breach of any duty or obligation, fiduciary or otherwise, owed to the Company, the Managing Member by the Investor Member or the Special Investor Member.

10.04 Other Activities. Any Investor Member may engage in or possess interests in other ventures of every kind and description for its own account, including without limitation, serving as general or limited partner of other partnerships which own, either directly or through interests in other partnerships, government-assisted housing projects similar to the Project. Neither the Company nor any of the Members shall have any right by virtue of this Agreement in or to such other business ventures to the income or profits derived therefrom.

10.05 Inspection. The Investor Member shall have the right, from time to time, upon prior reasonable notice during business hours, to make a physical inspection of the Project, subject to the rights of existing tenants.

ARTICLE XI PROFITS, LOSSES AND DISTRIBUTIONS

11.01 Allocation of Profits and Losses Other Than From Capital Transactions.

(a) Manner of Determination. Profits, Losses and credits for all purposes of this Agreement shall be determined in accordance with the definition of the same under Article II of this Agreement (as applicable) and in accordance with the accrual accounting method and in accordance with applicable Code sections and Treasury Regulations governing same.

(b) Allocations. All Profits and Losses, except those items specified in Sections 11.02, 11.05 and 11.07 below, shall be allocated to the Members in accordance with their Percentage Interests. Every item of income, gain, loss, deduction, or tax preference entering into the computation of such Profits and Losses, or applicable to the period during which

such Profits and Losses were realized, shall be considered allocated to each Member in the same proportion as Profits and Losses are allocated to such Member.

11.02 Allocation of Profits and Losses from Capital Transactions. Except to the extent provided in Section 11.07 and Section 12.02(b), Profits and Losses recognized by the Company upon a Capital Transaction shall be allocated in the following manner:

(a) Subject to Section 11.02(c), Profits shall be allocated (i) first, to the Members with negative Capital Account balances, that portion of gains (including any gains treated as ordinary income for federal income tax purposes) which is equal in amount to, and in proportion to, such Members' respective negative Capital Accounts in the Company; provided that no gain shall be allocated under this Section 11.02(a)(i) to a Member once such Member's Capital Account is brought to zero and (ii) second, gains in excess of the amount allocated under clause (i) shall be allocated to the Members in the amounts and to the extent necessary to increase the Members' respective Capital Accounts so that the proceeds distributed under Section 11.04I-(f) will be distributed in accordance with the Members' respective Capital Accounts.

(b) Losses shall be allocated (i) first, to the extent and in such proportions as the respective positive balances in all Members' Capital Accounts, and (ii) second, any remaining loss to the Members in accordance with the manner in which they bear the Economic Risk of Loss associated with such loss or, if none, to the Members in accordance with their Percentage Interests.

(c) Any portion of the Profits treated as ordinary income for federal income tax purposes under Sections 1245 and 1250 of the Code ("Recapture Amount") shall be allocated on a dollar for dollar basis to those Members to whom the items of Company deduction or loss giving rise to the Recapture Amount had been previously allocated.

11.03 Distributions: Net Cash Flow.

(a) Determination of Net Cash Flow. Net Cash Flow shall be determined separately for each fiscal year or portion thereof commencing on the day after Final Closing and shall not be cumulative. Wherever there is a reference to the distribution of Net Cash Flow pursuant to the provisions of this Agreement, Net Cash Flow shall be deemed to be limited to Surplus Cash available for distribution. Income received by the Company from the period commencing with the date of the Initial Closing and ending on the date of the Final Closing shall not be distributed during such period and shall be included in the calculation of the Net Cash Flow to be distributed on the first Payment Date following Final Closing. Any Construction Cost Savings received by the completion of the Project shall be distributed to the Managing Member as an Incentive MM Distribution pursuant to Section 11.03(b).

(b) Manner of Distribution. Subject to the approval of the Project Lenders, if required, Net Cash Flow shall be applied and/or distributed on each Payment Date in the following priority:

(i) in the fiscal year in which Final Closing is achieved, 90% of the remaining Net Cash Flow, up to the amount of any Construction Cost Savings, as a cash distribution to the Managing Member (the "Incentive MM Distribution");

(ii) to the Investor Member in an amount equal to any Unpaid Tax Credit Shortfall, for any outstanding IM Loans and for any other amounts due and owing to the Investor Member;

(iii) to the Special Investor Member for any Asset Management Fees that were not paid in full when due pursuant to Section 13.04(j)(iv);

(iv) to replenish the Operating Reserve pursuant to Section 4.02(m) hereof;

(v) until all amounts due under the Development Agreement have been paid in full, to the payment of such amounts;

(vi) to the Managing Member as return of the Initial Managing Member Capital Contribution until such amount has been returned in full;

(vii) to the payment of any outstanding Operating Deficit Loans and MM Loans, based on the respective outstanding balances of each;

(viii) after the fiscal year in which Final Closing is achieved, 90% of the remaining Net Cash Flow to the payment of the Incentive Management Fee; and

(ix) thereafter, 99.99% to the Investor Member; 0.009% to the Managing Member; and 0.001% to the Special Investor Member, provided, however, that notwithstanding anything to the contrary herein, if the amount of the distribution to the Investor Member under this Section 11.03(b)(ix) is less than 10% of the aggregate amount distributed pursuant to Sections 11.03(b)(i), (viii), and (ix), then the Investor Member shall receive a priority distribution before any distributions under Sections 11.03(b)(i), (viii) and (ix) in an amount such that, when added to the sum distributable to the Investor Member under this Section (ix), shall equal 10% of the aggregate amount distributed pursuant to Sections 11.03(b)(i), (viii) and (ix).

(c) Distributions to be Subject to Regulatory Restrictions. Notwithstanding the foregoing, during such time as regulations of the Project Lenders are applicable to the Project, the total amount of Net Cash Flow which may be so distributed to the Members with respect to any fiscal year shall not exceed such amounts as such regulations permit to be distributed.

11.04 Distributions: Capital Transactions and Liquidation of Company. Except as may be required under Section 12.02(b), the proceeds resulting from the liquidation of the Company assets pursuant to Section 12.02, and the net proceeds resulting from any Capital Transaction, as the case may be, shall be distributed and applied in the following order of priority:

(a) to the payment of all matured debts and liabilities of the Company (including amounts due pursuant to any Project Loan and all expenses of the Company incident to any such sale or refinancing), excluding (1) debts and liabilities of the Company to Members or any Affiliates, and (2) all unpaid fees owing to the Managing Member under this Agreement;

(b) to the setting up of any reserves which the Liquidator (or the Managing Member if

the distribution is not pursuant to the liquidation of the Company) deems reasonably necessary for contingent, unmatured or unforeseen liabilities or obligations of the Company;

(c) to the payment of any debts and liabilities (including unpaid fees) owed to the Members or any Affiliates by the Company for Company obligations; provided, however, that the foregoing debts and liabilities owed to Members and their Affiliates shall be paid or repaid, as applicable, in the following order of priority, if and to the extent applicable: (i) to the Investor Member, an amount equal to any Unpaid Tax Credit Shortfall (applied first to accrued but unpaid interest (at the Default Rate) and then principal) or IM Loans; (ii) to the payment of any outstanding accrued and unpaid Asset Management Fees; (iii) to the Investor Member, an amount equal to any Special Additional Capital Contribution; (iv) to the payment of any outstanding MM Loans; (v) amounts due under the Development Agreement; (vi) amounts due with respect to Operating Deficit Loans, if any; and (vii) any other such debts and liabilities;

(d) two percent (2%) of the gross proceeds of the Capital Transaction to the Special Investor Member, or its assignee as a Capital Transaction administrative fee;

(e) [Intentionally Omitted]

(f) the balance, 90.0% to the Managing Member; 9.0% to the Investor Member, with such 9.0% distributed to the Investor Member first in proportion to the relative amounts of Net Projected Tax Liabilities of the Investor Member's partners or members and their respective partners or members until they each have received, cumulatively, an amount equal to their respective Net Projected Tax Liabilities, then, the remainder as a distribution to the Investor Member; and 1.0% to the Special Investor Member.

Written determination of the proposed distributions of proceeds of Capital Transactions, showing all relevant calculations and assumptions, shall be delivered to the Investor Member and Special Investor Member not later than 20 days prior to the Company entering into any agreement for a Capital Transaction, and written confirmation or any revision thereof shall be delivered to the Investor Member and Special Investor Member not later than 20 days prior to the making of any such distribution.

11.05 Distributions and Allocations: General Provisions.

(a) In any year in which a Member sells, assigns or transfers all or any portion of an Interest to any Person who during such year is admitted as a substitute Member, the share of all profits and losses allocated to, and of all Net Cash Flow and of all cash proceeds distributable under Section 11.04 distributed to, all Members which is attributable to the Interest sold, assigned or transferred shall be divided between the assignor and the assignee ratably on the basis of the number of monthly periods in such year before, and the number of monthly periods on and after, the first day of the month during which such Person is admitted as a substitute Member.

(b) The Company shall, subject to any applicable limitation on the distribution of Net Cash Flow and any required approval by the Project Lenders, distribute Net Cash Flow not less frequently than annually in the manner provided in Section 11.03(b).

(c) In the event that there is a determination that there is any original issue discount or imputed interest attributable to the Capital Contribution of any Member, or any loan between a Member and the Company, any income or deduction of the Company attributable to such imputed interest or original issue discount on such Capital Contribution or loan (whether stated or unstated) shall be allocated solely to such Member.

(d) In the event that the deduction of all or a portion of any fee paid or incurred by the Company to a Member or an Affiliate of a Member is disallowed for federal income tax purposes by the Service with respect to a taxable year of the Company, the Company shall then allocate to such Member an amount of gross income of the Company for such year equal to the amount of such fee as to which the deduction is disallowed.

(e) If any Member's Interest in the Company is reduced but not eliminated because of the admission of new Members or otherwise, or if any Member is treated as receiving any items of property described in Section 751(a) of the Code, the Member's Interest in such items of Section 751(a) property that was property of the Company while such Person was a Member shall not be reduced, but shall be retained by the Member so long as the Member has an Interest in the Company and so long as the Company has an Interest in such property.

(f) In accordance with Section 704I of the Code (relating to allocations with respect to appreciated contributed property) and the Regulations thereunder, income, gain, loss, and deduction with respect to any property contributed to the capital of the Company shall be allocated, solely for tax purposes, among the Members so as to take account of any variation between the adjusted basis of such property to the Company for federal income tax purposes and its fair market value. Any elections or other decisions relating to such allocations shall be made by the Managing Member in any manner that reasonably reflects the purpose and intention of this Agreement.

(g) In the event that the Managing Member makes any Operating Deficit Loans pursuant to Section 8.10(b), any deductions or losses of the Company attributable to the use of those funds shall be specially allocated to the Managing Member.

(h) Any income attributable to the Capital Contribution of the Managing Member will be allocated to the Managing Member.

11.06 Capital Accounts.

(a) Establishment and Maintenance. A separate Capital Account shall be maintained and adjusted for each Member. There shall be credited to each Member's Capital Account the amount of its Capital Contribution, the fair market value of any property contributed to the Company (net of any liabilities secured by such property) and such Member's allocable share of the net income gains and profits for tax purposes of the Company; and there shall be charged against each Member's Capital Account the amount of all cash flow distributed to such Member, the fair market value of any property distributed to such Member (net of any liabilities secured by such property), the net proceeds resulting from the liquidation of the Company's assets or from any sale or refinancing of the Project distributed to such Member, and such Member's allocable share of the losses for tax purposes of the Company. Each Member's Capital Account shall be maintained and adjusted in accordance with the Code and the Treasury Regulations thereunder. The foregoing provisions and the other provisions of this Agreement relating to the maintenance of Capital Accounts are intended to comply

with Treas. Reg. § 1.704-1(b), and shall be interpreted and applied in a manner consistent with such regulations. It is the intention of the Members that the Capital Accounts maintained under this Agreement be determined and maintained throughout the full term of this Agreement in accordance with the accounting rules of Treas. Reg. § 1.704-1(b)(2)(iv).

(b) Deficit Capital Accounts; Regulatory Liquidation. In the event that the Company is liquidated within the meaning of Treas. Reg. § 1.704-1(b)(2)(ii)(g), if the Managing Member's Capital Account has a deficit balance (after giving effect to all contributions, distributions and allocations), the Managing Member shall make Capital Contributions in the amount of the lesser of (i) such deficit in compliance with Treas. Reg. § 1.704-1(b)(2)(ii)(b)(3), or (ii) \$1,000. In the event that the Investor Member's Capital Account should have a deficit balance at such time, it shall have no obligation to fund or otherwise contribute capital to the Company in connection with such deficit. Notwithstanding the foregoing, in the event the Company is liquidated within the meaning of Treas. Reg. § 1.704-1(b)(2)(ii)(g) but no event has occurred under Section 12.01 to dissolve the Company, the Company assets shall not be liquidated, the Company's liabilities shall not be paid or discharged, and the Company's affairs shall not be wound up. Instead, the Company shall be deemed to have contributed all of its assets and liabilities to a new partnership in exchange for an interest in the new Company. Immediately thereafter, the terminated Company shall be deemed to have distributed interests in the new partnership to the Members of the terminated Company in proportion to their respective interests in the terminated Company in liquidation of the terminated Company.

11.07 Special Allocations. Notwithstanding anything to the contrary contained in Section 11.01(a) or (b), the following special allocations in all events apply in determining the allocation of Profits and Losses among the Members and are made prior to the allocations required under Section 11.01(a) and (b):

(a) Depreciation and Tax Credits.

(i) Depreciation (cost recovery) deductions and Tax Credits are allocated to the Members in accordance with their Percentage Interests.

(ii) Any recapture of Tax Credits is allocated to the Members that were allocated (or whose predecessors-in-interest were allocated) the depreciation/cost recovery deduction and Tax Credits associated therewith.

(b) Limitation on Allocations of Losses.

(i) To the extent the allocation of any Losses to a Member would cause that Member to have an Adjusted Capital Account Deficit at the end of any fiscal year of the Company, then those Losses will not be allocated to that Member, but rather will be specially allocated to the remaining Members in proportion with their relative interests in the Company.

(ii) In the event some but not all of the Members would have Adjusted Capital Account Deficits due to an allocation of Losses, the limitation set forth in this Section 11.07(b) shall be applied on a Member-by-Member basis so as to allocate the maximum permissible Losses to each Member who is not a Managing Member under

Treas. Reg. §1.704-1(b)(2)(ii)(d). All Losses in excess of the limitation set forth in this Section 11.07(b) shall be allocated to the Managing Member.

(c) Profit Chargeback. To the extent any Losses are specially allocated to a Member in accordance with Section 11.07(b), then Profits will thereafter first be specially allocated to such Member in proportion to and in an amount (1) up to but not exceeding the amount of any such special allocation of Losses away from such Member under such subsection (b) but (2) not to the extent that Losses or depreciation deductions would be allocated to the remaining Members in excess of the amount permitted by Section 11.07(b).

(d) Nonrecourse Deductions. Nonrecourse Deductions for any fiscal year shall be allocated to the Members in accordance with their Percentage Interests.

(e) Member Nonrecourse Deductions. Any Member Nonrecourse Deductions for any fiscal year shall be specially allocated to the Member or Members that bear the Economic Risk of Loss with respect to the Member Nonrecourse Debt to which such Member Nonrecourse Deductions are attributable in accordance with Treas. Reg. §1.704-2(b)(4) and Treas. Reg. §1.704-2(i).

(f) Company Minimum Gain Chargeback. Notwithstanding any other provision of this Agreement, if there is a net decrease in the Company's Minimum Gain attributable to Nonrecourse Liabilities during any taxable year, each Member shall be specially allocated a *pro rata* portion of each of the Company's items of income and gain for such year (and, if necessary for subsequent years) in proportion to, and to the extent of, an amount equal to such Member's share of the net decrease in such Minimum Gain during such taxable year as determined in accordance with the provisions of Treas. Reg. §1.704-2(g)(2). In the event that such net decrease in the Company's Minimum Gain occurs in connection with the disposition of all or any portion of the Project, then any items of Company income or gain allocated in accordance with the previous sentence shall first consist of gain recognized by the Company as a result of such disposition. It is the intent that the allocations provided in this Section 11.07(f) shall be determined in accordance with and only to the extent required by Treas. Reg. §1.704-2(f) and (j)(2)(i).

(g) Member Minimum Gain Chargeback. Notwithstanding any other provision of this Agreement, if there is a net decrease in the amount of the Company's Minimum Gain during any taxable year with respect to a Member Nonrecourse Debt, the Member bearing the Economic Risk of Loss with respect to such Member Nonrecourse Debt shall be specially allocated a *pro rata* portion of each of the Company's items of income and gain for such taxable year (and, if necessary, for subsequent years) in proportion to, and to the extent of the amount of such Member's share of the net decrease in such Minimum Gain during such taxable year as determined in accordance with the provisions of Treas. Reg. §1.704-2(i)(4). In the event that such net decrease in the Member's Minimum Gain occurs in connection with the disposition of all or any portion of Project, then any items of Company income or gain allocated in accordance with the previous sentence shall first consist of gain recognized by the Company as a result of such disposition. It is the intent that the allocations provided in this Section 11.07(g) shall be determined in accordance with and only to the extent required by the provisions of Treas. Reg. §1.704-2(i) and (j)(2)(ii).

(h) Qualified Income Offset. If a Member unexpectedly receives any adjustments, allocations, or distributions described in §1.704-1(b)(2)(ii)(d)(4), (5) or (6) of the Regulations,

then items of Company income or gain will be specially allocated to that Member in an amount and manner sufficient to eliminate, to the extent required by the Regulations, the Adjusted Capital Account Deficit of that Member as quickly as possible. The special allocations required pursuant to this subsection (h) are made only if and to the extent that such Member would have an Adjusted Capital Account Deficit after all other allocations provided for in this Article XI have been tentatively made as if this subsection (h) were not in this Agreement. This subsection (h) is intended to comply with the qualified income offset requirements of §1.704-1(b)(2)(ii)(d) of the Regulations and will be interpreted consistently therewith.

(i) Gross Income Allocation. In the event any Member has a deficit Capital Account at the end of any fiscal year in excess of the sum of (i) the amount that such Member must restore pursuant to any provision of this Agreement, if any, and (ii) the amount such Member is deemed obligated to restore pursuant to the penultimate sentence of Treas. Reg. § 1.704-2(g) and § 1.704-2(i)(5), such Member shall be specially allocated items of Company income and gain in the amount of such excess as quickly as possible, provided that an allocation pursuant to this Section 11.07(i) shall be made if and only to the extent that such Member would have a deficit Capital Account in excess of such sum after all other allocations provided for in this Article XI have been tentatively made as if this Section 11.07(i) and Section 11.07(h) hereof were not in this Agreement.

(j) §754 Adjustment. To the extent an adjustment to the adjusted tax basis of any Company Property undertaken pursuant to §734(b) or 743(b) of the Code is required to be taken into account in determining the Capital Accounts of the Members under Treas. Reg. §1.704-1(b)(2)(iv)(m), then the amount of such adjustment to the Capital Accounts will be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases such basis) and such gain or loss will be specially allocated to the Members in a manner consistent with the manner in which their Capital Accounts are required to be adjusted pursuant to the aforementioned section of the regulations.

(k) Curative Allocations. In the event that income, loss or items thereof are allocated to one or more Members pursuant to Sections 11.07(h) through (i), subsequent income, loss or items thereof shall be allocated (subject to the provisions of Sections 11.07(h) and (i)) to the Members so that, to the extent possible in the judgment of the Managing Member, the net amount of allocations shall be equal to the amount that would have been allocated had Section 11.07 not been applied. Notwithstanding the foregoing, the allocation of depreciation deductions will be governed by Section 11.07(a) and this Section 11.07(k) shall not apply to allocations of depreciation deductions.

(l) Excess Nonrecourse Liabilities. Solely for purposes of determining a Member's proportionate share of the "excess nonrecourse liabilities" of the Company within the meaning of Treas. Reg. §1.752-3(a)(3), the Members' respective interests in Company Profits shall equal their Percentage Interests (determined without regard to Section 11.07(a)-(k)).

(m) Authority to Vary Allocations to Preserve and Protect Members' Intent

(i) It is the intent of the Members that each Member's distributive share of income, gain, loss, deduction, or credit (or item thereof) shall be determined and allocated in accordance with this Article XI to the fullest extent permitted by Section 704(b) of the Code. In order to preserve and protect the determinations and allocations provided for in this Article XI, the Managing Member, shall upon the direction in

writing of the Special Investor Member, allocate income, gain, loss, deduction, or credit (or item thereof) arising in any year differently than otherwise provided for in this Article XI as necessary to ensure that all allocations of income, gain, loss, deduction or credit (or item thereof) to the Members are permitted by Section 704(b) of the Code and Treasury Regulations promulgated thereunder. Any allocation made pursuant to this Section 11.07(m)(i) shall be deemed to be a complete substitute for any allocation otherwise provided for in this Article XI and no amendment of this Agreement or Consent of any Member shall be required.

(ii) In making any new allocation under Section 11.07(m)(i), the Managing Member is authorized to act only upon the direction in writing of the Special Investor Member or the Investor Member.

(iii) If the Managing Member receives a recommendation from the Accountants to make any such new allocation in a manner less favorable to the Investor Member than is otherwise provided for in this Article XI, then the Managing Member shall do so only with the Investor Member's or the Special Investor Member's Consent and only after having given the Investor Member and the Special Investor Member the opportunity to discuss such allocation with the Accountants, and only after the Managing Member has been advised by the Accountants that it is permitted by Section 704(b) of the Code, to allocate income, gain, loss, deduction, or credit (or item thereof) arising in later years in such manner so as to bring the allocations of income, gain, loss, deduction, or credit (or item thereof) to the Investor Members as nearly as possible to the allocations thereof otherwise contemplated by this Article XI.

(n) Taxable Income. Any taxable income of the Company resulting from its receipt of debt forgiveness, donations, contributions, grants or subsidies shall be allocated entirely to the Managing Member. In addition, notwithstanding any other provision of this Agreement, before any other allocation of gross income and gain is made under this Agreement, in the event that any unanticipated gross income arises from a subsequent recharacterization of a tax reporting position of the Company, including without limitation any income arising from the admission of a Member who is allocated state tax credits or the making of any Capital Contribution with respect to state tax credits, it is the intent of the Members that all such gross income shall be allocated to the Managing Member.

(o) §266 Election. If requested by the Special Investor Member, the Managing Member shall cause the Company to make an election pursuant to Section 266 of the Code to capitalize interest expenses until the Project is placed in service.

11.08 Designation of Tax Matters Member. The Managing Member hereby is designated as Tax Matters Member of the Company, and shall engage in such undertakings as are required of the Tax Matters Member of the Company, as provided in regulations pursuant to Section 6231 of the Code. Each Member, by its execution of this Agreement, Consents to such designation of the Tax Matters Member and agrees to execute, certify, acknowledge, deliver, swear to, file and record at the appropriate public offices such documents as may be necessary or appropriate to evidence such Consent. Notwithstanding any other provision of this Agreement, the Special Investor Member hereby is granted authority at any time to be admitted as a managing member by converting all or portion of its non-managing member Interest to a managing member Interest for the purpose of acting as the Tax Matters Member with all the authority and powers given to the Managing Member as Tax Matters Member of the Company under the Code and under this Agreement. Unless

otherwise specifically provided or agreed, the new Tax Matters Member in these circumstances will not be responsible for or have the right to conduct any operational or managerial functions of the Company besides those required to discharge its responsibilities as Tax Matters Member. The Special Investor Member may exercise its right to assume the Tax Matters Member responsibilities for the Company, as provided herewith, upon 10 days' notice to the then existing Tax Matters Member and Managing Member and may continue as Tax Matters Member indefinitely. In the event that the Special Investor Member exercises its right to become a managing member and to assume duties of the Tax Matters Member, the pre-existing Tax Matters Member will resign in accordance with Treas. Reg. § 301.6231(a)(7)-1(i) and will redesignate the new managing member as Tax Matters Member in accordance with Treas. Reg. § 301.6231(a)(7)-1I. Each Member, by its execution of this Agreement, Consents to such admission and designation and agrees to execute, certify, acknowledge, deliver, swear to, file and record at the appropriate public offices such documents as may be necessary or appropriate to evidence such Consent. The Special Investor Member shall, upon such admission, replace the Managing Member as Tax Matters Member and shall have thereafter all the authority and powers given to the Managing Member as Tax Matters Member of the Company under the Code and under this Agreement.

11.09 Authority of Tax Matters Member.

(a) The Tax Matters Member shall have and perform all of the duties required under the Code, including the following duties:

(i) Furnish the name, address, profits interest, and taxpayer identification number of each Member to the Service; and

(ii) Within 5 days after the receipt by the Managing Member or an Affiliate thereof or the Company of any correspondence or communication relating to the Company or a Member or an Affiliate of a Member from the Service, the Tax Matters Member shall forward to each Member a photocopy of all such correspondence or communication(s). The Tax Matters Member shall, within 5 days thereafter, advise each Member in writing of the substance and form of any conversation or communication held with any representative of the Service.

(b) The Tax Matters Member shall, upon request by the Investor Member, permit the Investor Member to include its attorney in the power of attorney (Form 2848) for the Company for any taxable years under a tax audit or in a tax administrative appeals process.

(c) The Tax Matters Member shall not without the Consent of the Special Investor Member:

(i) Extend the statute of limitations for assessing or computing any tax liability against the Company (or the amount of character of any Company tax items);

(ii) Engage an accounting firm or counsel to represent the Company before the Service;

(iii) Settle any audit with the Service concerning the adjustment or readjustment of any partnership item(s) (within the meaning of Section 6231(a)(3) of the Code);

(iv) File a request for an administrative adjustment with the Service at any time or file a petition for judicial review with respect to any such request or select the forum for judicial review of any Service determination;

(v) Initiate or settle any judicial review or action concerning the amount or character of any partnership tax item(s) (within the meaning of Section 6231(a)(3) of the Code);

(vi) Intervene in any action brought by any other Member for judicial review of a final partnership administrative adjustment; or

(vii) Take any other action not expressly permitted by this Section 11.09 on behalf of the Members of the Company in connection with any administrative or judicial tax proceeding.

(d) In the event of any Company-level proceeding instituted by the Service pursuant to Sections 6221 through 6233 of the Code, the Tax Matters Member shall consult with the Special Investor Member regarding the nature and content of all action and defense to be taken by the Company in response to such proceeding. The Tax Matters Member also shall consult with the Special Investor Member regarding the nature and content of any proceeding pursuant to Sections 6221 through 6233 of the Code instituted by or on behalf of the Company (including the decision to institute proceedings, whether administrative or judicial, and whether in response to a previous Service proceeding against the Company or otherwise).

11.10 Expenses of Tax Matters Member. The Company shall indemnify and reimburse the Tax Matters Member for all expenses, including legal and accounting fees, claims, liabilities, losses and damages incurred in connection with any administrative or judicial proceeding with respect to the tax liability of the Members. The payment of all such expenses shall be made before any distributions are made from Net Cash Flow or any discretionary reserves are set aside by the Managing Member. The Managing Member shall have the obligation to provide funds for such purpose to the extent that Company funds are not otherwise available therefor. The taking of any action and the incurring of any expense by the Tax Matters Member in connection with any such proceeding, except to the extent required by law, is a matter in the sole discretion of the Tax Matters Member and the provisions on limitations of liability of the Managing Member and indemnification set forth in Section 8.08 of this Agreement shall be fully applicable to the Tax Matters Member in its capacity as such.

ARTICLE XII SALE, DISSOLUTION AND LIQUIDATION

12.01 Dissolution of the Company. The Company shall be dissolved upon the earlier of the expiration of the term of the Company, or upon:

(a) the withdrawal, Bankruptcy, death, dissolution or adjudication of incompetency of the Managing Member who is at that time the sole Managing Member, subject to the provisions of Section 6.03, unless a majority in interest of the other Members, within 90 days after receiving Notice of such withdrawal, Bankruptcy, death, dissolution or adjudication of incompetence, elects to designate a successor Managing Member(s) and

continue the Company upon the admission of such successor Managing Member(s) to the Company;

(b) the sale or other disposition of all or substantially all of the assets of the Company, subject to the provisions of Section 6.03 and the Consent required pursuant to Section 8.02(b) hereof;

(c) the election by the Managing Member, with the Consent of a majority in interest of the other Members; or

(d) any other event causing the dissolution of the Company under the laws of the State of Formation or the Project State.

12.02 Winding Up and Distribution.

(a) Upon the dissolution of the Company pursuant to Section 12.01, (i) a certificate of cancellation shall be filed in such offices within the State of Formation and the Project State as may be required or appropriate and (ii) the Company business shall be wound up and its assets liquidated as provided in this Section 12.02 and the net proceeds of such liquidation, except as provided in Section 12.02(b) below, shall be distributed in accordance with Section 11.04.

(b) It is the intent of the Members that, upon liquidation of the Company, any liquidation proceeds available for distribution to the Members be distributed in accordance with the Members' respective positive Capital Account balances. The Members believe that distributions under Section 11.04 will effectuate such intent. In the event that, upon liquidation, there would otherwise be any conflict between a distribution pursuant to the Members' respective positive Capital Account balances and the intent of the Members with respect to distribution of proceeds as provided in Section 11.04, the Liquidator shall, notwithstanding the provisions of Sections 11.01, 11.02, 11.03 and 11.05, (but after all of the allocations provided for in Section 11.07 shall have been made) allocate the Company's gains, profits and losses in a manner that will, as nearly as possible, cause the distribution of liquidation proceeds to the Members to be in accordance both with the Members' economic expectations as set forth in Section 11.04 and their respective Capital Account balances. If the Company's gains, profits and losses are insufficient to cause the Members' Capital Accounts to be in such amounts as will permit liquidation proceeds to be distributed both in accordance with the Members' respective positive Capital Account balances and Section 11.04, then liquidation proceeds shall be distributed in accordance with the Members' respective positive Capital Account balances after the allocations described herein have been made.

(c) The Liquidator shall file all certificates and notices of the dissolution of the Company required by law. The Liquidator shall proceed without any unnecessary delay to sell and otherwise liquidate the Company's property and assets; provided, however, that if the Liquidator shall determine that an immediate sale of part or all of the Company property would cause undue loss to the Members, then in order to avoid such loss, the Liquidator may, except to the extent provided by the Act, defer the liquidation as may be necessary to satisfy the debts and liabilities of the Company to Persons other than the Members. Upon the complete liquidation and distribution of the Company assets, the Members shall cease to

be Members of the Company, and the Liquidator shall execute, acknowledge and cause to be filed all certificates and notices required by the law to terminate the Company.

(d) Upon the dissolution of the Company pursuant to Section 12.01, the Accountants shall promptly prepare, and the Liquidator shall furnish to each Member, a statement setting forth the assets and liabilities of the Company upon its dissolution. Promptly following the complete liquidation and distribution of the Company property and assets, the Accountants shall prepare, and the Liquidator shall furnish to each Member, a statement showing the manner in which the Company assets were liquidated and distributed.

ARTICLE XIII
BOOKS AND RECORDS, ACCOUNTING,
TAX ELECTIONS, ETC.

13.01 Books and Records. The books and records of the Company shall be maintained on an accrual basis in accordance with sound federal income tax accounting principles. These and all other records of the Company, including information relating to the status of the Project and information with respect to the sale by the Managing Members or any Affiliate of goods or services to the Company, shall be kept at the principal office of the Company and shall be available for examination there by any Member, or his duly authorized representative, at any and all reasonable times. Any Member, or his duly authorized representative, upon paying the costs of collection, duplication and mailing, shall be entitled to a copy of the list of names and addresses of the Investor Members.

13.02 Bank Accounts. All funds of the Company not otherwise invested shall be deposited in one or more accounts maintained in FDIC insured financial institutions as the Managing Member shall determine, and withdrawals shall be made only in the regular course of Company business on such signature or signatures as the Managing Member may, from time to time, determine. No funds of the Company shall be deposited in any financial institution in which any Member is an officer, director or holder of any proprietary interest.

13.03 Accountants. The Accountants shall annually prepare for execution by the Managing Member all tax returns of the Company, shall annually audit the books of the Company, and shall certify, in accordance with generally accepted accounting principles, a balance sheet, a profit and loss statement, and a cash flow statement. With respect to each fiscal year during the Company's operations, at such time as the Accountants shall have prepared the proposed tax return for such year, the Accountants shall provide copies of such proposed tax return to the Investor Member for its review and comment. Any material changes in such proposed tax return recommended by the Investor Member's accountants shall be made by the Accountants prior to the completion of such tax return for execution by the Managing Member. The Company shall reimburse the Investor Member for its reasonable expenses incurred in causing the Company's proposed tax return to be reviewed by the Investor Member's accountants when such review exceeds the scope of the Investor Member's accountant's standard review. A full detailed statement shall be furnished to all Members showing such assets, properties, and net worth and the profits and losses of the Company for the preceding fiscal year. All Members shall have the right and power to examine and copy, at any and all reasonable times, the books, records and accounts of the Company.

13.04 Reports to Members. In addition to the information required pursuant to the provisions of Section 8.19 hereof, the Managing Member shall provide to the Members the following:

(a) Monthly Reports. The Managing Member shall cause to be prepared and distributed to all Persons who were Members at any time during the month prior to the date the report is due, the following monthly reports:

(i) Prior to Substantial Completion, a monthly report, certified by the Managing Member to be true, complete and correct in all respects, providing:

(A) an analysis of the quality of construction and any known non-compliance with Plans and Specifications;

(B) any changes or deviations from the construction budget and construction schedule;

(C) any known environmental issues arising since the Initial Closing;

(D) any known delay in payment, or non-payment, of construction costs for which equity has been expended, or construction loan proceeds have been requisitioned or disbursed; and

(E) copies of all construction draw documentation submitted by the General Contractor in connection with a request for payment, including change orders.

(ii) Prior to the Stabilization Date, a monthly report, certified by the Managing Member to be true, complete and correct in all respects providing:

(A) a rent roll commencing at initial occupancy;

(B) statement of income and expense, and cash flow for the month, together with a balance sheet, each of which may be unaudited;

(C) a summary of any tenant compliance review conducted by the Managing Member (which must be conducted not less frequently than every twelve (12) months) summarizing compliance with the Minimum Set-Aside Test, Rent Restriction Test and other requirements to qualify for the Tax Credits and State Tax Credits, including those set forth in the Regulatory Agreement, Extended Use Agreement and each annual Transfer Certificate and Annual Letter of Compliance;

(D) upon commencement of leasing activity, a schedule of budgeted leasing activity with comparison against actual leasing activity for such month as well as a description of all marketing activities; and

(E) a summary of any on-site physical inspection of the Project by the Managing Member (including photographs), which must be conducted not less frequently than every twelve (12) months.

Monthly reports as described in this Section 13.04 shall be delivered to the Members within 20 days after the last day of the prior month which is the subject of the report.

(b) Quarterly Reports. The Managing Member shall cause to be prepared and distributed to all Persons who were Members at any time during the fiscal quarter prior to the date the report is due, the following reports:

(i) all monthly reports not previously delivered as required under Section 13.04(a);

(ii) a quarterly statement of income and expense and a cash flow statement for the quarter and the period then ending, which may be unaudited;

(iii) a balance sheet, which may be unaudited;

(iv) a statement of operations describing significant or material activities affecting the Company and Project during the quarter;

(v) copies of any correspondences or reports issued as a result of a REAC inspections;

(vi) copies of any correspondences, reports or Form 8823 resulting from an inspection by the Agency or the Service and copies of any correspondences or reports from EDA with respect to the State Tax Credits; and

(vii) a schedule of all fees, other compensation, distributions and reimbursements of expenses paid on behalf of the Company to the Managing Member or any of its Affiliates during the quarter.

All quarterly reports from the Managing Member as described in this subsection (b) shall be delivered to the Members within 30 days of the last day of the fiscal quarter which is the subject of the report.

(c) Annual Reports. The Managing Member shall cause to be prepared and distributed to all Persons who were Members at any time during the fiscal year of the Company, the following reports:

(i) all monthly reports not previously delivered as required under Section 13.04(a);

(ii) all quarterly reports not previously delivered as required under Section 13.04(b);

(iii) within 90 days after the close of each fiscal year of the Company audited financial statements of the Company and within 60 days after the close of each fiscal year of the Company unaudited financial statements of the Guarantor for the fiscal year prepared by the Accountants (or other independent accountants Consented to by the Special Investor Member) in accordance with generally accepted accounting principles, and such financial information with respect to each fiscal year of the Company as shall be reportable for federal and state income tax purposes;

(iv) within 60 days after the close of each fiscal year of the Company:

(A) balance sheet, statements of income and expense, Members' equity, and cash flows (including a calculation of Net Cash Flow and Surplus Cash) prepared by the Accountants and accompanied by an Accountant's report and opinion;

(B) an unaudited report of the Managing Member detailing distributions made during the fiscal year, separately identifying distributions from Net Cash Flow for the reporting fiscal year and prior fiscal years, proceeds from Capital Transactions, and proceeds from reserves or other deposits held by or for the benefit of the Company; and

(C) a schedule of all fees, other compensation, distributions and reimbursements of expenses to the Managing Member or any of its Affiliates during the fiscal year, not previously reported to the Members under Section 13.04(a) or (b) above.

(v) the current rent roll for the Project.

(d) Annual Certification as to Project Loans and Other Matters. Within 60 days after the end of each fiscal year of the Company, the Managing Member shall provide to the Investor Member:

(i) a certification by the Managing Member that (A) all Project Loan payments and taxes and insurance payments with respect to the Project are current as of the date of the year-end report, (B) there is no material default under the Project Documents or this Agreement, or if there is any material default, a description thereof, and (C) it has not received notice of any building, health or fire code violation or similar violation of a governmental law, ordinance or regulation against the Project or, if any such notice of any violation has been received, a description thereof;

(ii) a descriptive statement of all transactions during the fiscal year between the Company and the Managing Member and/or any Affiliate, including the nature of the transaction and the payments involved (including accrued cash or other payments);

(iii) a copy of the annual report to be filed with the Agency concerning the status of the Project as low-income housing; and

(iv) a copy of the Certificate of Compliance, Transfer Certificate and Annual Letter of Compliance prepared in connection with the State Tax Credits under the Transfer Agreement.

(e) Information Upon Investor Member Request. Upon the written request of the Investor Member for further information with respect to any matter covered in Section 13.04(a) through (d) above, the Managing Member shall furnish such information within 7 days of receipt of such request, or as soon thereafter as is reasonably possible, but in no event longer than thirty (30) days.

(f) Annual Reports on Occupancy and Other Operational Matters. The Managing Member, on behalf of the Company, shall send to the Investor Member, on or before March 31 in each year, a report which shall state:

(i) the then occupancy level of the Project;

(ii) if there are any Operating Deficits or anticipated Operating Deficits, the manner in which such Deficits will be funded; and

(iii) such other matters as shall be material to the operation of the Company, including, without limitation, any building, health or fire code violation or similar violation of a governmental law, ordinance or regulation by the Project of which the Managing Member is aware.

(g) Estimates of Tax Items and Budgets. Not less than 60 days prior to the end of each fiscal year, the Managing Member, on behalf of the Company, shall send to the Investor Member, for its Consent, an estimate of the Investor Member's share of the Tax Credits, the amount of State Tax Credits that the Project is eligible to have transferred, profits and losses of the Company for federal income tax purposes for the current fiscal year, and the budget for the Company and Project for the fiscal year to come.

(h) Reports on Defaults and Other Matters. The Managing Member shall send the Investor Member a detailed report of any of the following events within 15 days after the end of any calendar quarter during which such event occurs:

(i) a material default by the Company under the Project Documents or in payment of any mortgage, taxes, interest or other obligations on secured or unsecured debt;

(ii) the reduction or termination of any reserve by application of funds therein for purposes materially different from those for which such reserve was established;

(iii) the receipt by the Managing Member of any notice of a material fact which may substantially affect further distributions; or

(iv) the pledge or collateralization by any Member of its Interest in the Company.

(i) After the date of Substantial Completion, the Managing Member, on behalf of the Company, shall send to the Investor Member, a copy of all applicable periodic reports covering the status of the Project as may be required by the Agency or the Project Lenders, within 10 days of submission of such reports to the Agency and/or applicable Project Lender.

(j) Fees and Penalties.

(i) In the event that the reports of information provided for in Sections 13.04(a) through (d) above are, at any time, not provided within the time frames set forth therein, the Managing Member shall be obligated to pay to the Special Investor Member, upon written demand, the sum of \$150 per day, as liquidated damages, for each day from the date upon which such report(s) or information is (are) due pursuant to the provisions of the aforesaid Sections until the date upon which such report(s) or information is (are) provided. If the Managing Member provides the foregoing information within 10 days of the date due, it shall not be obligated to pay such liquidated damages. In the event the Managing Member does not pay such fee as

required above, the amount owed by the Managing Member shall be distributed to the Special Investor Member from Net Cash Flow prior to any payment of Net Cash Flow which might otherwise be payable to the Managing Member or its Affiliates pursuant to the provisions of Section 11.03. Such amount shall be included as an amount guaranteed by the Guarantor pursuant to the Guaranty.

(ii) In the event that the reporting requirements set forth in any of the above provisions of this Section 13.04 are not met, the Investor Member, in its reasonable discretion, may direct the Managing Member to dismiss the Accountants, and to designate successor Accountants, subject to the Consent of the Special Investor Member; provided, however, that if the Managing Member and the Investor Member cannot agree on the designation of successor Accountants, the successor Accountants shall be designated by the Investor Member in its sole reasonable discretion, and the fees of such successor Accountants shall be paid by the Company.

(iii) [Intentionally Omitted].

(iv) The Company shall pay, as an operational expense of the Company, an annual fee (the "Asset Management Fee") equal to \$7,500 to RBC Tax Credit Equity, LLC or its Affiliate for an annual review of the operations of the Company and the Project. The Asset Management Fee shall (1) commence upon the first anniversary of the Initial Closing, (2) be paid quarterly and be cumulative to the extent not paid in full in any quarter, and (3) increase annually by three percent (3%) of the Asset Management Fee for the preceding year.

(k) Notification of Default, Service Proceedings and HUD REAC Reports. In addition to any requirements set forth in Article XIII hereof, the Managing Member shall immediately notify the Investor Member of any written or oral notice of (i) any default or failure of compliance with respect to any of the Project Loans, Project Documents or any other financial, contractual or governmental obligation of the Company or the Managing Member, (ii) any Service proceeding regarding the Project or the Company and any EDA proceeding regarding the Project, the Company, or the HOD Prospect with respect to the State Tax Credits, and (iii) all HUD REAC reports, investigations, scores and related documents concerning the Project. Any such notice shall be accompanied by copies of the foregoing documents.

13.05 Section 754 Elections. In the event of a transfer of all or any part of the Interest of a Managing Member or of an Investor Member, the Company may elect, pursuant to Sections 743 and 754 of the Code (or any corresponding provision of succeeding law), to adjust the basis of the Company property if, in the opinion of the Investor Member, based upon the advice of the Accountants, such election would be most advantageous to the Investor Member. Each Member agrees to furnish the Company with all information necessary to give effect to such election.

13.06 Fiscal Year and Accounting Method. The fiscal year of the Company shall be the fiscal year of the Investor Member. The fiscal year for RBC Tax Credit Equity, LLC ends October 31. Upon a transfer of the Investor Member interest to a Fund pursuant to Section 9.01, the fiscal year of the Company shall become the calendar year. All Company accounts shall be determined on an accrual basis.

ARTICLE XIV
AMENDMENTS

14.01 Proposal and Adoption of Amendments. This Agreement may be amended by the Managing Member with the Consent of the Investor Member. If the Investor Member proposes an amendment to this Agreement which either (a) increases or imposes upon the Investor Member the obligation to restore a deficit balance in its Capital Account, or (b) prospectively decreases the obligation of the Investor Member to restore a deficit balance in its Capital Account in a subsequent Fiscal Year of the Company, the Managing Member shall effectuate the adoption of such amendment; provided, however, that the Managing Member shall not be liable to the Investor Member for any adverse tax consequences that may result from any such increase or decrease.

ARTICLE XV
CONSENTS, VOTING AND MEETINGS

15.01 Method of Giving Consent. Any Consent required by this Agreement may be given by a written Consent given by the consenting Member and received by the requesting Member at or prior to the doing of the act or thing for which the Consent is solicited. The Investor Member shall be reimbursed by the Managing Member for any actual costs incurred by the Investor Member in connection with processing special requests from the Managing Member.

15.02 Submissions to Investor Members. The Managing Member shall give the Investor Member Notice of any proposal or other matter required by any provision of this Agreement or by law to be submitted for consideration and Consent of the Investor Members. Such Notice shall include any information required by the relevant provision or by law.

15.03 Meetings: Submission of Matter for Voting. A majority in Interest of the Investor Members shall have the authority to convene meetings of the Company and to submit matters to a vote of the Members.

ARTICLE XVI
GENERAL PROVISIONS

16.01 Burden and Benefit. The covenants and agreements contained herein shall be binding upon and inure to the benefit of the heirs, executors, administrators, successors and assigns of the respective parties hereto.

16.02 Applicable Law. This Agreement shall be construed and enforced in accordance with the laws of the State of Formation.

16.03 Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed to be an original copy and all of which together shall constitute one agreement binding on all parties hereto, notwithstanding that all the parties shall not have signed the same counterpart.

16.04 Separability of Provisions. Each provision of this Agreement shall be considered separable, and if for any reason any provision which is not essential to the effectuation of the basic

purposes of this Agreement is determined to be invalid and contrary to any existing or future law, such invalidity shall not impair the operation of or affect those provisions of this Agreement which are valid.

16.05 Entire Agreement. This Agreement sets forth all (and is intended by all parties to be an integration of all) of the representations, promises, agreements and understandings among the parties hereto with respect to the Company, the Company business and the property of the Company, and there are no representations, promises, agreements or understandings, oral or written, express or implied, among them other than as set forth or incorporated herein.

16.06 Liability of the Investor Member. Notwithstanding anything to the contrary contained herein, neither the Investor Member nor any of its members or partners, general or limited, as the case may be, shall have any personal liability to any of the parties to this Agreement with regard to the representations and covenants extended, or the obligations undertaken, by the Investor Member under this Agreement, except that the Investor Member shall be personally obligated to fund its Capital Contributions when, as and if required by this Agreement and subject to any defenses and offsets it may have with respect to the funding of such Capital Contributions. In the event that the Investor Member shall be in default under any of the terms of this Agreement, the sole recourse of any party hereto for any indebtedness due hereunder, or for any damages resulting from any such default by the Investor Member, shall be against the Interest of the Investor Member; provided, however, that under no circumstances shall the liability of the Investor Member for any such default be in excess of the amount of Capital Contribution payable by the Investor Member to the Company, under the terms of this Agreement, at the time of such default, less the value of the Interest of the Investor Member, if such Interest is claimed as compensation for damages.

16.07 Environmental Protection.

(a) The Managing Member represents and warrants that, except as set forth in the Environmental Report (i) it has no knowledge of any deposit, storage, disposal, burial, release, discharge, spillage, uncontrolled loss, seepage, filtration or existence of any Hazardous Substances at, upon, under or within the Land or any contiguous real estate and (ii) it has not caused or permitted to occur, and it shall not permit to exist, any condition which may cause a deposit, storage, disposal, burial, release, discharge, spillage, uncontrolled loss, seepage, filtration or existence of any Hazardous Substances at, upon, under or within the Land or on any contiguous real estate.

(b) The Managing Member further represents and warrants that, except as set forth in the Environmental Report, (i) neither it nor, to the best of its knowledge, any other party has been, is or will be involved in operations at or, pursuant to the Managing Member's best knowledge, near the Land, which operations have resulted in or could lead to (A) liability under the Hazardous Waste Laws as to the Company or (B) the creation of a lien on the Land under the Hazardous Waste Laws or under any similar laws or regulations; and (ii) the Managing Member has not permitted, and will use best efforts not to permit, any tenant or occupant of the Project to engage in any activity that could impose liability under the Hazardous Waste Laws on such tenant or occupant, on the Land or on any other owner of the Project.

(c) The Managing Member shall comply strictly and in all respects with all material requirements of the Hazardous Waste Laws and related regulations and with all similar laws and regulations.

(d) The Managing Member shall conduct an asbestos inspection prior to any demolition or renovation activities impacting suspect asbestos containing materials in each building in the Project, and warrants that sufficient funds exist and have been designated in the construction budget to inspect, abate, dispose and/or manage any suspect or know asbestos containing materials as part of demolition or renovation activities and operation of the Project in compliance with Hazardous Waste Laws.

(e) The Managing Member covenants and agrees that no impact, disturbance, alteration, or destruction of any wetlands, streams or flood plains on the Property shall occur unless and until Managing Member has received all necessary permits, approvals and governmental authorizations required for the impact, disturbance, alteration or destruction of the wetlands, streams or flood plains in compliance with all applicable federal, state, and local laws, regulations, orders or requirements.

(f) The Managing Member has furnished to the Investor Member all environmental assessments, audits, reports, Environmental Report and other material environmental documents relating to the Project or Land.

(g) The Managing Member shall at all times indemnify and hold harmless the Company and the Investor Member against and from any and all claims, suits, actions, debts, damages, costs, charges, losses, obligations, judgments and expenses, of any nature whatsoever, including, but not limited to, attorney's and consultant's fees, suffered or incurred by the Company or the Investor Member, under or on account of, or as a result of violations of, the Hazardous Waste Laws or any similar laws or regulations, including the assertion of any lien thereunder, or related to or arising out of the deposit, storage, disposal, burial, release, discharge, spillage, uncontrolled loss, seepage, filtration or existence of any Hazardous Substances at, upon, from, under or within the Project, Land or any contiguous real estate.

(h) For purposes of this Section 16.07, the term "Hazardous Substances" shall mean and include, without limitation, any hazardous, toxic or dangerous substance, waste, material or pollutant, specifically including for purposes of this Agreement any petroleum or crude oil or fraction thereof, friable asbestos or asbestos containing material, polychlorinated biphenyls, pesticides or urea formaldehyde foam insulation defined as such in , regulated by or for the purpose of, or in violation of any Hazardous Waste Laws. As used in this Agreement, the term "Hazardous Waste Laws" shall mean any governmental requirements pertaining to land use, air, soil, subsoil, surface water, groundwater (including the quality of, protection, clean-up, removal, remediation or damage of or to land, air, soil, subsoil, surface water and groundwater) and human health and safety, including, without limitation, the following laws as the same may be from time to time amended: the Comprehensive Environmental Response Liability and Compensation Act, 42 U.S.C. § 9601, et seq., the Resource Conservation and Recovery Act, 42 U.S.C. §6901, et seq., the Toxic Substances Control Act, 15 U.S.C. § 2601 et seq., the Federal Water Pollution Control Act, 33 U.S.C. §1251 et seq., the Safe Drinking Water Act, 42 U.S.C. § 300f et seq., the Clean Air Act, 42 U.S.C. § 7401 et seq., the Rivers and Harbors Act, 33 U.S.C. § 401 et seq., the Transportation Safety Act of 1974, portions of which are located at 49 U.S.C. § 1801 et seq., the Endangered Species Act, 16 U.S.C. § 1531 et seq., or any so-called "superfund" or "superlien" law, and the Occupational Safety and Health Act of 1970, 29 U.S.C. § 651 et seq. together with any other foreign or domestic laws (federal, state, provincial or local),

common law, local rule, regulation (including, without limitation, any future change in judicial or administrative decisions interpreting or applying any of the laws, rules or regulations referred to herein) relating to emissions, discharges, release or threatened releases of any Hazardous Substances into ambient air, land, soil, subsoil, surface water, groundwater, personal property or structures, or human health and safety, or otherwise relating to the manufacture, processing distribution, use treatment, storage, disposal, transport, discharge, handling or existence of any Hazardous Substances, now or at any time hereafter in effect.

16.08. Pledge of Managing Member Interest. Managing Member does hereby unconditionally and irrevocably assign, pledge, convey, transfer, deliver, set over and grant unto Investor Member, its successors and assigns, as security for Managing Member's complete and timely payment and performance of the Managing Member's duties, expenses and liabilities under or in connection with this Agreement, a continuing first priority security interest under the Uniform Commercial Code of the State of New Jersey in all of the Collateral. Managing Member hereby further grants to the Investor Member all rights in the Collateral as are available to a secured party of such collateral under the Uniform Commercial Code of the State of New Jersey (being the state of formation of Managing Member) and, acknowledges, agrees and consents to the filing of a UCC- 1 Financing Statements in the State of New Jersey with respect to the Collateral and agrees, upon request, to deliver any other documents which Investor Member may reasonably request with respect thereto. Unless and until there occurs an event listed in Sections 6.05(a)(i) or 6.05(a)(ii) hereof, Investor Member agrees to forbear in exercising its right to receive all benefits pertaining to the Collateral, and the Managing Member shall be permitted to exercise all rights and to receive all benefits of the Collateral, including, without limitation, the right to exercise all voting, approval, consent and similar rights of Managing Member pertaining to the Collateral, payments due under, proceeds, whether cash proceeds or noncash proceeds, and products of the Collateral and retain and enjoy the same. Upon or at any time after the occurrence of an event listed in Sections 6.05(a)(i) or 6.05(a)(ii) hereof, subject to the cure period set forth in Section 6.05(b), Investor Member, at its option to be exercised in its sole discretion, may exercise all rights and remedies granted under this Section 16.08.

16.09 Notices. Any Notice required by the provisions of this Agreement to be given to one or more Members shall be addressed as follows:

(I) To the Investor Member or Special Investor Member:

c/o RBC Tax Credit Equity, LLC
600 Superior Avenue
Suite 2300
Cleveland, Ohio 44114
Attention: President and General Counsel

with a copy to:

Nixon Peabody LLP
100 Summer Street
Boston, Massachusetts 02110
Attention: Roger W. Holmes

(I) To the Managing Member:

Prospect Park Apartments CRG, LLC
Capital Realty Group, Inc.
86 Rt. 59 E.
Spring Valley, NY 10977
Attention: Moshe Eichler

With a copy to:

Berman Indictor LLP
30 N. 41st Street, Suite 450
Philadelphia, Pennsylvania 19104
Attention: Steven Berman

16.10 Headings. All section headings are for convenience only and shall not be taken into consideration in interpreting or otherwise construing this Agreement.

16.11 Pronouns and Plurals. All pronouns and any variations thereof shall be deemed to refer to the masculine, feminine, neuter, singular or plural, as the identity of the person or persons may require.

16.12 New Jersey Housing and Mortgage Finance Agency Required Language. The Company has applied for financing for the construction of the Project from the New Jersey Housing and Mortgage Finance Agency ("NJHMFA"). The Company acknowledges that any review of the provisions of this Company Agreement by NJHMFA is performed in accordance with its responsibility as a Lender and is intended only to assure that the Company is validly formed according to law, with the legal authority to borrow the funds which will constitute the Bond Loan and to operate the Project securing the Bond Loan. Notwithstanding any other provisions herein, the Company acknowledges and agrees that as a condition of obtaining the Bond Loan, that the NJHMFA statutes, rules and regulations and all financing documents in connection with the Bond Loan, are applicable to the Company and the Project securing the Bond Loan. The Company further acknowledges that, except as contained in this section, the NJHMFA makes no representations express or implied, as to this Company Agreement; and the Company and its Members shall not rely upon the NJHMFA review of this Company Agreement.

(Remainder of page intentionally left blank)

IN WITNESS WHEREOF, the parties have affixed their signatures and seals to this Amended and Restated Operating Agreement as of the date first written above.

MANAGING MEMBER:

Prospect Park Apartments CRG, LLC, a New Jersey limited liability company

By:  _____

Name: Moshe Eichler

Title: Managing Member

INVESTOR MEMBER:

RBC Tax Credit Equity, LLC, an Illinois limited liability company

By: _____

Name: _____

Title: _____

SPECIAL INVESTOR MEMBER:

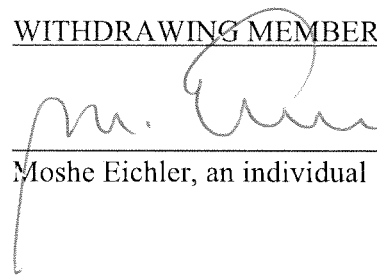
RBC Tax Credit Manager II, Inc., a Delaware corporation

By: _____

Name: _____

Title: _____

WITHDRAWING MEMBER:

 _____
Moshe Eichler, an individual

IN WITNESS WHEREOF, the parties have affixed their signatures and seals to this Amended and Restated Operating Agreement as of the date first written above.

MANAGING MEMBER:

Prospect Park Apartments CRG, LLC, a New Jersey limited liability company

By: _____
Name: Moshe Eichler
Title: Managing Member

INVESTOR MEMBER:

RBC Tax Credit Equity, LLC, an Illinois limited liability company

By: _____
Name: Kenneth L. Lohiser
Title: Director

SPECIAL INVESTOR MEMBER:

RBC Tax Credit Manager II, Inc., a Delaware corporation

By: _____
Name: Kenneth L. Lohiser
Title: Director

WITHDRAWING MEMBER:

Moshe Eichler, an individual

**EXHIBIT A
TO OPERATING AGREEMENT**

PROJECTIONS (attached)



Project Financial Projections

Prospect Park Apartments

East Orange, NJ

Printed: 9/10/15 3:06 PM

Revised: 9/10/2015

These projections do not guarantee actual operating results. Information herein may be revised based upon changes to assumptions and third-party information. Inapplicable schedules may be omitted. This information is proprietary and may be shared only with RBC's prior consent.

OPM Version 4-4, January 28, 2011

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Sources and Uses Schedule
Prospect Park Apartments

Sources	Total	Various	0.00%
Wells Fargo - Freddie Mac	\$ 14,100,000		
Interim Income	930,301	9/1/2015	25.00%
		4/1/2016	10.00%
		6/1/2016	10.00%
		8/1/2016	10.00%
			0.00%
Deferred Developers Fee	1,184,703	9/1/2016	25.00%
EDA (ERG) via House of David (non-profit)	5,982,791	11/1/2016	15.00%
			0.00%
Accrued capitalized interest during construction	9,554	2/1/2017	5.00%
			0.00%
Grants (reduction of basis)			
Grants (no reduction of basis)			
Existing Replacement Reserve			
Capital - General Partner	193,007		
Capital - Limited Partner (LPA)	9,347,600		
Capital - Special Limited Partner			
Capital - State Credit Limited Partner			
Total Sources	\$ 31,747,956		

Uses	Total	Eligible Basis	Depr. Basis	Funded Expenses	Non-Depreciable	Aggregate Basis & Land	Comments
Land	\$ 765,000	\$ -	\$ -	\$ -	\$ 765,000	\$ 765,000	
Acquisition Building	12,219,849	12,219,849	12,219,849	-	-	12,219,849	
Subtotal	\$ 12,984,849						
Hard Costs - Const Contract	8,274,399	8,274,399	8,274,399	-	-	8,274,399	
Construction Contingency	868,323	868,323	868,323	-	-	868,323	
Builder's Overhead & Profit	586,759	586,759	586,759	-	-	586,759	
Hard Costs - Other	-	-	-	-	-	-	
Subtotal	9,729,481						
Soft Costs	2,280,992	2,231,263	2,231,263	35,000	14,729	2,245,992	
Tax Credit Fees	183,586	-	-	183,586	-	-	
Soft Cost Contingency	257,969	232,590	232,590	-	25,379	232,590	
Subtotal	2,722,547						
Construction Loan Interest - Paid	942,452	807,816	807,816	134,636	-	807,816	Calculated
Construction Loan Interest - Accrued	9,554	9,554	9,554	-	-	9,554	Calculated
Subtotal	952,006						
Permanent Loan Fees	78,129	-	-	78,129	-	-	
Construction Loan Fees	914,559	914,559	914,559	-	-	821,688	
Subtotal	992,688						
Organization	-	-	-	-	-	-	
Syndication Costs	40,000	-	-	-	40,000	-	
Marketing and Leasing	-	-	-	-	-	-	
Rent up Expense	-	-	-	-	-	-	
Subtotal	40,000						
Developer Fee	2,621,400	2,621,400	2,621,400	-	-	2,621,400	
Subtotal	2,621,400						
Replacement Reserves	39,000	-	-	-	39,000	-	
Operating Reserves	430,000	-	-	-	430,000	-	
Debt Service Reserves	-	-	-	-	-	-	
Real Estate Tax/Insurance Escrow	220,834	-	-	-	220,834	-	
Rent Subsidy Escrow Reserve	1,015,151	-	-	-	1,015,151	-	
Subtotal	1,704,985						
Total Uses	\$ 31,747,956	\$ 28,766,512	\$ 28,766,512	\$ 431,351	\$ 2,550,093	\$ 29,453,370	

Capital Contributions	Various	0.00%
Monthly Construction Draws		
Partnership Closing - HAP	9/1/2015	25.00%
50% Construction Completion 4.1.16	4/1/2016	10.00%
75% Construction Completion 6.1.16	6/1/2016	10.00%
90% Construction Completion 8.1.16	8/1/2016	10.00%
		0.00%
Final Project C/O, Draft Cost Cert. 9.1.16	9/1/2016	25.00%
		0.00%
100% OO, 1.20x DSC, Final Closing, 11.1.16	11/1/2016	15.00%
		0.00%
Stabilization Date, 8609's, 2.1.17	2/1/2017	5.00%
		0.00%
Total		\$ 9,347,600

Tax Exempt Bond Proceeds	16,145,000
Less: Non-Eligible Uses Funded by Bonds	-
Other Adjustments	-
Other Adjustments	-
Total Bond Proceeds	16,145,000
Aggregate Basis and Land	29,453,370
Other Adjustments	-
Total Aggregate Basis and Land	29,453,370
	54.82%

Credit Calculation Schedule
Prospect Park Apartments

Low Income Housing Tax Credit Calculation

Item	Rehabilitation	Acquisition
Eligible Basis	\$ 28,766,512	
Less:		
Acquisition Cost	(12,219,849)	12,219,849
Residential Historic Tax Credits	-	-
Grants	-	-
Other Credits adjustment	-	-
Cost of Issuance	(441,937)	-
Developer Fee Existing Building	(499,400)	499,400
Broker Fee	(235,271)	235,271
	-	-
DDA/QCT Adjustme:	15,370,055	12,954,520
Eligible Basis	100%	100%
Basis Limitation	15,370,055	12,954,520
Total Eligible Basis	15,370,055	12,954,520
Low Income Percentage	100.00%	100.00%
Qualified LIHTC Basis	15,370,055	12,954,520
Tax Credit Percentage	3.22%	3.22%
LIHTC Calculated	494,916	417,136
LIHTC Reservation	494,916	417,136
Allowable LIHTC	494,916	417,136

Historic Tax Credit Calculation

Item	Federal Historic Rehab Credit			Total
	Residential	Commercial		
Depreciable Basis	\$ -	\$ -	-	-
Less:				
Acquisition Cost	-	-	-	-
Personal Property	-	-	-	-
Sitework	-	-	-	-
Bldg Additions/(Demo)	-	-	-	-
Ineligible Interest	-	-	-	-
Other Ineligible Costs	-	-	-	-
Grants	-	-	-	-
Historic Tax Credit Basis	-	-	-	-
Historic Tax Credit %	0%	0%	0%	0%
Total Historic Tax Credit	\$ -	\$ -	\$ -	\$ -

Tax Credit Delivery	2016	2017	2018	2019
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-

State LIHTC

Eligible Basis	No
Adjustments	-
Adjustments	-
Adjustments	-
Total Basis	-
Credit Percentage	0%
Tax Credits	-

State Historic

Depreciable Basis	No
Adjustments	-
Adjustments	-
Adjustments	-
Total Basis	-
Credit Percentage	0%
Tax Credits	-

Other Credits

Basis	26,590,183
Adjustments	-
Adjustments	-
Adjustments	-
Total Basis	26,590,183
Credit Percentage	30%
Tax Credits	7,977,055

**Summary of Operating Partnership Benefits
Prospect Park Apartments**

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Year	Equity Contribution	Projected Taxable Income (Loss)	Deduct Stressed Cash Flow 100.00%	Projected Tax Benefits 35.00%	Projected Federal Housing Tax Credits	Projected Historic Rehab Tax Credits	Projected Other Tax Credits	Projected State Tax Credits	Federal Tax Effect on State Credits Yes	Projected Total Tax Benefits	0.00% Projected Cash Flow	Total Investing L.P. Benefits
2015	\$ 2,336,928	\$ 137,121	\$ -	\$ (47,992)	\$ 911,961	\$ -	\$ -	\$ -	\$ -	\$ (47,992)	\$ -	\$ (47,992)
2016	6,543,292	43,934	-	(15,377)	911,961	-	-	-	-	896,584	-	896,584
2017	467,380	(900,242)	-	315,085	911,961	-	-	-	-	1,227,046	-	1,227,046
2018	-	(778,008)	-	272,303	911,961	-	-	-	-	1,184,264	-	1,184,264
2019	-	(693,113)	-	242,590	911,961	-	-	-	-	1,154,551	-	1,154,551
2020	-	(664,566)	-	232,598	911,961	-	-	-	-	1,144,559	-	1,144,559
2021	-	(738,447)	16,029	264,067	911,961	-	-	-	-	1,176,028	-	1,176,028
2022	-	(852,235)	32,722	309,735	911,961	-	-	-	-	1,221,696	-	1,221,696
2023	-	(804,786)	34,258	293,665	911,961	-	-	-	-	1,205,626	-	1,205,626
2024	-	(771,295)	35,796	282,482	911,961	-	-	-	-	1,194,443	-	1,194,443
2025	-	(758,952)	37,337	278,701	911,961	-	-	-	-	1,190,662	-	1,190,662
2026	-	(794,878)	38,880	291,815	-	-	-	-	-	291,815	-	291,815
2027	-	(804,522)	40,180	295,646	-	-	-	-	-	295,646	-	295,646
2028	-	(749,167)	41,560	276,754	-	-	-	-	-	276,754	-	276,754
2029	-	(709,716)	43,099	263,485	-	-	-	-	-	263,485	-	263,485
2030	-	(694,623)	44,637	258,741	-	-	-	-	-	258,741	-	258,741
2031	-	-	-	-	-	-	-	-	-	-	-	-
2032	-	-	-	-	-	-	-	-	-	-	-	-
2033	-	-	-	-	-	-	-	-	-	-	-	-
Totals	9,347,600	(10,533,495)	364,498	3,814,298	9,119,610	-	-	-	-	12,933,908	-	12,933,908
Sale	N/A	1,550,393	N/A	(542,638)	N/A	N/A	N/A	N/A	N/A	(542,638)	-	(542,638)
Totals	\$ 9,347,600	\$ (8,983,102)	\$ 364,498	\$ 3,271,660	\$ 9,119,610	\$ -	\$ -	\$ -	\$ -	\$ 12,391,270	\$ -	\$ 12,391,270

The equity contributions have been adjusted for the Limited Partners share of the 1602 exchange funds in the amount of \$ -

L.P. Income (Loss) % 99.99%
L.P. Cash Flow % 99.99%
L.P. Tax Credit % 99.99%

LEASEUP

	2015			2016		
	LI Units	Market Units	Percent Leased	LI Units	Market Units	Percent Leased
January	-	-	0.00%	129	-	100.00%
February	-	-	0.00%	129	-	100.00%
March	-	-	0.00%	129	-	100.00%
April	-	-	0.00%	129	-	100.00%
May	-	-	0.00%	129	-	100.00%
June	-	-	0.00%	129	-	100.00%
July	-	-	0.00%	129	-	100.00%
August	-	-	0.00%	129	-	100.00%
September	-	-	0.00%	129	-	100.00%
October	129	-	100.00%	129	-	100.00%
November	129	-	100.00%	129	-	100.00%
December	129	-	100.00%	129	-	100.00%
Total	<u>387</u>	<u>387</u>		<u>1,548</u>	<u>1,548</u>	

	2017			2018		
	LI Units	Market Units	Percent Leased	LI Units	Market Units	Percent Leased
January	129	-	100.00%	129	-	100.00%
February	129	-	100.00%	129	-	100.00%
March	129	-	100.00%	129	-	100.00%
April	129	-	100.00%	129	-	100.00%
May	129	-	100.00%	129	-	100.00%
June	129	-	100.00%	129	-	100.00%
July	129	-	100.00%	129	-	100.00%
August	129	-	100.00%	129	-	100.00%
September	129	-	100.00%	129	-	100.00%
October	129	-	100.00%	129	-	100.00%
November	129	-	100.00%	129	-	100.00%
December	129	-	100.00%	129	-	100.00%
Total	<u>1,548</u>	<u>1,548</u>		<u>1,548</u>	<u>1,548</u>	

OPERATING EXPENSES

Expenses:	Expense	Per Unit
Variable Expenses		Per Unit/Month
Administrative	\$ 65,020	\$ 500
Repairs and Maintenance	194,950	1,500
Utilities	182,029	1,400
Water and Sewer	28,569	220
Payroll	205,204	1,578
Subtotal Variable Expenses	675,772	5,198
Fixed Expenses		Per Month
Insurance	35,000	269
Other	-	-
Real Estate Taxes - Total	64,958	500
Subtotal Variable & Fixed	775,730	5,967
Management Fee	98,176	755
Total Operating Expense	873,906	6,722
Replacement Reserve	65,000	500

Total Expenses & R.R.	Annual	Inflation
\$ 938,906	\$ 7,222	
Expense inflation %	103.00%	103.00%
Real Estate Tax inflation %	102.00%	102.00%
Real Estate Tax Abatement	No	
Management Fee		
Percentage of EGI	5.000%	98,176
Min Monthly Fee	\$ -	-
Fee / unit / month	\$ -	-
Inflation	103.00%	103.00%
Replacement Reserve		
Start Date	9/1/2016	
Per Unit	Annual	Inflation
RBC	\$ 300	\$ 39,000
Lender	500	65,000
		103.00%
		100.00%

**Projected Cash Flow
Prospect Park Apartments**

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	
Income																				
Gross LIHTC Rental Revenues	\$ 327,621	\$ 1,536,428	\$ 1,390,704	\$ 1,390,704	\$ 1,418,510	\$ 1,446,880	\$ 1,475,818	\$ 1,505,334	\$ 1,535,441	\$ 1,566,150	\$ 1,597,473	\$ 1,629,422	\$ 1,662,011	\$ 1,695,251	\$ 1,729,156	\$ 1,763,739	\$ 1,799,014	\$ 1,834,994	\$ 1,871,694	
Gross Market Rental Revenue	(16,381)	(66,855)	(68,171)	(69,555)	(70,926)	(72,344)	(73,791)	(75,267)	(76,772)	(78,308)	(79,874)	(81,471)	(83,101)	(84,763)	(86,458)	(88,187)	(89,951)	(91,750)	(93,585)	
Less: Vacancies	311,240	1,269,869	1,295,237	1,321,169	1,347,584	1,374,536	1,402,027	1,430,067	1,458,669	1,487,842	1,517,599	1,547,951	1,578,910	1,610,488	1,642,698	1,675,552	1,709,063	1,743,244	1,778,109	
Net Rental Revenues	174,488	711,919	726,157	740,681	755,487	770,597	786,009	801,730	817,764	834,119	850,802	867,817	885,174	902,877	920,935	939,353	958,141	977,304	996,849	
Rental Subsidy (Net)	5,169	21,044	21,455	21,888	22,315	22,761	23,216	23,680	24,154	24,637	25,129	25,632	26,145	26,667	27,201	27,745	28,300	28,866	29,443	
Other Income (Net)	490,897	2,002,832	2,042,869	2,083,738	2,125,386	2,167,894	2,211,252	2,255,477	2,300,587	2,346,598	2,393,550	2,441,400	2,490,229	2,540,032	2,590,834	2,642,650	2,695,504	2,749,414	2,804,401	
Commercial Income																				
Effective Gross Income																				
Operating Expenses																				
Variable Expenses	169,369	696,012	716,880	738,396	760,587	783,405	806,907	831,114	856,048	881,729	908,181	935,427	963,489	992,394	1,022,166	1,052,831	1,084,416	1,116,948	1,150,457	
Insurance	8,751	36,060	37,140	38,256	39,395	40,575	41,792	43,046	44,337	45,667	47,037	48,448	49,902	51,399	52,941	54,529	56,165	57,850	59,585	
Management Fee	24,545	100,142	102,143	104,187	106,269	108,395	110,563	112,774	115,029	117,330	119,677	122,070	124,511	127,002	129,542	132,133	134,775	137,471	140,220	
Other	16,239	66,252	67,572	68,928	70,313	71,719	73,153	74,616	76,109	77,631	79,183	80,767	82,382	84,030	85,711	87,425	89,173	90,957	92,776	
Real Estate Taxes - Total	218,904	898,466	923,735	949,767	976,562	1,004,094	1,032,415	1,061,550	1,091,523	1,122,337	1,154,078	1,186,712	1,220,284	1,256,472	1,292,040	1,328,632	1,366,278	1,405,009	1,444,837	
Abatement of Real Estate Taxes																				
Project Operating Exp	271,993	1,104,366	1,119,134	1,133,971	1,148,824	1,163,800	1,178,837	1,193,927	1,209,064	1,224,241	1,239,452	1,254,688	1,269,945	1,285,260	1,298,794	1,314,018	1,329,226	1,344,405	1,359,544	
NOI Before Replacement Reserves																				
Replacement Reserves	-	21,667	65,000	65,000	65,000	65,000	65,000	65,000	65,000	65,000	65,000	65,000	65,000	65,000	65,000	65,000	65,000	65,000	65,000	
Net Operating Income	271,993	1,082,699	1,054,134	1,068,971	1,083,824	1,098,800	1,113,837	1,128,927	1,144,064	1,159,241	1,174,452	1,189,688	1,204,945	1,218,560	1,233,323	1,248,044	1,263,756	1,279,451	1,292,680	
Plus Other Cash Sources:																				
Interest on Reserve Accts	2,538	8,526	12,950	13,438	13,925	14,413	14,900	15,387	15,875	16,363	16,851	17,339	17,827	18,315	18,803	19,291	19,779	20,267	20,755	
Other	2,538	8,526	12,950	13,438	13,925	14,413	14,900	15,387	15,875	16,363	16,851	17,339	17,827	18,315	18,803	19,291	19,779	20,267	20,755	
Total Other Cash Sources	274,531	1,091,225	1,067,084	1,082,409	1,097,749	1,113,213	1,128,737	1,144,202	1,159,727	1,175,241	1,190,794	1,206,388	1,221,941	1,237,456	1,252,933	1,268,372	1,283,773	1,299,130	1,307,307	
Subtotal																				
Less Other Cash Requirements:																				
Construction Loan Interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Wells Fargo - Freddie Mac	(134,332)	(805,992)	(805,992)	(805,992)	(805,992)	(805,992)	(805,992)	(805,992)	(805,992)	(805,992)	(805,992)	(805,992)	(805,992)	(805,992)	(805,992)	(805,992)	(805,992)	(805,992)	(805,992)	
Interim Income	(233,351)	(696,950)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Asset Management Fee	(2,500)	(7,725)	(7,957)	(8,196)	(8,442)	(8,695)	(8,956)	(9,225)	(9,502)	(9,787)	(10,081)	(10,383)	(10,694)	(11,015)	(11,345)	(11,685)	(12,036)	(12,397)	(12,767)	
Cash Flow Prior to Final Closing	(41,180)	41,180	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Replenish Reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Deferred Developers Fee	(298,623)	(253,367)	(253,367)	(268,460)	(283,561)	(298,662)	(313,771)	(328,881)	(343,991)	(359,101)	(374,211)	(389,321)	(404,431)	(419,541)	(434,651)	(449,761)	(464,871)	(480,000)	(495,150)	
GP Capital Repayment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
EDA (ERG) via House of David (non-pr	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Incentive Management Fee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Subtotal	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Funded from Reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Funded by Operating Deficit Guarantees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Cash Flow available for Distribution	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
LP Cash Distribution	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Cash Flow to Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Cumulative Cash Flow to Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Debt Service Coverage Ratio	N/A	N/A	1.31	1.33	1.34	1.36	1.38	1.40	1.42	1.44	1.46	1.48	1.49	1.51	1.53	1.55	1.57	1.59	1.61	
Debt Service Coverage Ratio	N/A	N/A	1.31	1.33	1.34	1.36	1.38	1.40	1.42	1.44	1.46	1.48	1.49	1.51	1.53	1.55	1.57	1.59	1.61	

Cash Flow / Mortgage Amortization Schedules
Prospect Park Apartments

Schedules 11 to 15

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EDA (ERG) via House of David (non-profit) Loan Self-Other over/short:
 Loan Amount \$5,982,791 Commencement Dates
 Interest Rate 0.500% Compound Interest Payment
 Amort Term (mos) 360 Month (MM) 9
 Monthly Payment N/A Year (YYYY) 2015 2016

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Total Payment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest Expense	30	19,495	29,914	29,914	29,914	29,914	29,914	29,914	29,914	29,914	29,914	29,914	29,914	29,914	29,914	29,914	29,914	29,914	29,914
Principal Payment	(30)	(19,495)	(29,914)	(29,914)	(29,914)	(29,914)	(29,914)	(29,914)	(29,914)	(29,914)	(29,914)	(29,914)	(29,914)	(29,914)	(29,914)	(29,914)	(29,914)	(29,914)	(29,914)
Outstanding Balance	\$ 5,982,791	\$ 5,982,821	\$ 6,032,516	\$ 6,062,144	\$ 6,092,058	\$ 6,121,972	\$ 6,151,886	\$ 6,181,800	\$ 6,211,714	\$ 6,241,628	\$ 6,271,542	\$ 6,301,456	\$ 6,331,370	\$ 6,361,284	\$ 6,391,198	\$ 6,421,112	\$ 6,451,026	\$ 6,480,940	\$ 6,510,854
Deferred expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

NOTE:

0 \$0 - calc
 Loan Amount \$0 Commencement Dates
 Interest Rate 0.000% Compound Interest Payment
 Amort Term (mos) 0 Month (MM)
 Monthly Payment N/A Year (YYYY)

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Total Payment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Principal Payment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Outstanding Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

NOTE:

0 \$0 - calc
 Loan Amount \$0 Commencement Dates
 Interest Rate 0.000% Compound Interest Payment
 Amort Term (mos) 0 Month (MM)
 Monthly Payment N/A Year (YYYY)

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Total Payment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Principal Payment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Outstanding Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

NOTE:

0 \$0 - calc
 Loan Amount \$0 Commencement Dates
 Interest Rate 0.000% Compound Interest Payment
 Amort Term (mos) 0 Month (MM)
 Monthly Payment N/A Year (YYYY)

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Total Payment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Principal Payment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Outstanding Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

NOTE:

0 \$0 - calc
 Loan Amount \$0 Commencement Dates
 Interest Rate 0.000% Compound Interest Payment
 Amort Term (mos) 360 Month (MM) 11
 Monthly Payment N/A Year (YYYY) 2016 2016

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Total Payment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Principal Payment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Outstanding Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

NOTE:

0 \$0 - calc
 Loan Amount \$0 Commencement Dates
 Interest Rate 0.000% Compound Interest Payment
 Amort Term (mos) 360 Month (MM) 11
 Monthly Payment N/A Year (YYYY) 2016 2016

Construction Interest Schedule

Prospect Park Apartments

Month	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	Total
	3-1-2017	4-1-2017	5-1-2017	6-1-2017	7-1-2017	8-1-2017	9-1-2017	10-1-2017	11-1-2017	12-31-2017	1-1-2018	2-1-2018	3-1-2018	4-1-2018	5-1-2018	6-1-2018	Thereafter
Outstanding Loan Balance	14,100,000	14,100,000	14,100,000	14,100,000	14,100,000	14,100,000	14,100,000	14,100,000	14,100,000	14,100,000	14,100,000	14,100,000	14,100,000	14,100,000	14,100,000	14,100,000	14,100,000
NHMFA Tax Exempt Bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Wells Fargo - Freddie Mac	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GP Subordinate Bridge	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
RBC Loan	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Wells Fargo - Freddie Mac	930,301	930,301	930,301	930,301	930,301	930,301	930,301	930,301	930,301	930,301	930,301	930,301	930,301	930,301	930,301	930,301	930,301
Interim Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred Developers Fee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,184,703
EDA (ERG) via House of David (non-profit)	5,982,791	5,982,791	5,982,791	5,982,791	5,982,791	5,982,791	5,982,791	5,982,791	5,982,791	5,982,791	5,982,791	5,982,791	5,982,791	5,982,791	5,982,791	5,982,791	5,982,791
Total Interest	930,301	930,301	930,301	930,301	930,301	930,301	930,301	930,301	930,301	930,301	930,301	930,301	930,301	930,301	930,301	930,301	930,301

Interest	Rate	2017	2017	2017	2017	2017	2017	2017	2017	2017	2017	2017	2017	2017	2017	2017	2017	2017
NHMFA Tax Exempt Bonds	0.875%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Wells Fargo - Freddie Mac	4.500%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GP Subordinate Bridge	0.000%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
RBC Loan	0.000%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Wells Fargo - Freddie Mac	4.550%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interim Income	0.000%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred Developers Fee	8.000%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
EDA (ERG) via House of David	0.500%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Interest		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Construction Escrow	Balance	Interest Expense	GC Income
Balance	-	-	-
Interest Expense	0.000%	-	-
GC Income	0.000%	-	-
Units Placed in Service	100.00%	100.00%	100.00%
Capitalized Interest	-	-	-
Expensed Interest	-	-	-
Expensed Interest	-	-	-
Expensed Interest	-	-	-
Total	952,006	-	-

Summary of Investment Partnership Benefits Prospect Park Apartments

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Year	Equity Contribution	Projected Taxable Income (Loss)	Projected Tax Benefits 35.00%	Projected Federal Housing Tax Credits	Projected Historic Rehab Tax Credits	Projected Other Tax Credits	Projected State Tax Credits	Federal Tax Effect on State Credits Yes	Projected Total Tax Benefits	Projected Cash Flow	Total Investor Benefits	Annual Return of Contributed Equity
2015	\$ 3,289,714	\$ 129,408	\$ (45,293)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (45,293)	\$ -	\$ (45,293)	-1.38%
2016	6,543,292	6,976	(2,442)	911,870	-	-	-	-	909,428	-	909,428	9.25%
2017	473,797	(943,522)	330,233	911,870	-	-	-	-	1,242,103	-	1,242,103	12.05%
2018	7,210	(822,093)	287,733	911,870	-	-	-	-	1,199,603	-	1,199,603	11.63%
2019	7,426	(737,422)	258,098	911,870	-	-	-	-	1,169,968	-	1,169,968	11.34%
2020	7,649	(709,101)	248,185	911,870	-	-	-	-	1,160,055	-	1,160,055	11.23%
2021	-	(791,354)	276,974	911,870	-	-	-	-	1,188,844	-	1,188,844	11.51%
2022	-	(921,822)	322,638	911,870	-	-	-	-	1,234,508	-	1,234,508	11.95%
2023	-	(875,913)	306,570	911,870	-	-	-	-	1,218,440	-	1,218,440	11.80%
2024	-	(843,964)	295,387	911,870	-	-	-	-	1,207,257	-	1,207,257	11.69%
2025	-	(833,163)	291,607	911,870	-	-	-	-	1,203,477	-	1,203,477	11.65%
2026	-	(870,628)	304,720	-	-	-	-	-	304,720	-	304,720	2.95%
2027	-	(881,571)	308,550	-	-	-	-	-	308,550	-	308,550	2.99%
2028	-	(827,601)	289,660	-	-	-	-	-	289,660	-	289,660	2.80%
2029	-	(789,693)	276,393	-	-	-	-	-	276,393	-	276,393	2.68%
2030	-	(773,490)	270,722	-	-	-	-	-	270,722	-	270,722	2.62%
2031	-	-	-	-	-	-	-	-	-	-	-	0.00%
2032	-	-	-	-	-	-	-	-	-	-	-	0.00%
2033	-	-	-	-	-	-	-	-	-	-	-	0.00%
Annual Totals	10,329,088	(11,484,953)	4,019,735	9,118,700	-	-	-	-	13,138,435	-	13,138,435	
Sale	N/A	1,155,865	(404,553)	N/A	N/A	N/A	N/A	N/A	(404,553)	-	(404,553)	-1.96%
Totals	#####	#####	\$ 3,615,182	\$ 9,118,700	\$ -	\$ -	\$ -	\$ -	#####	\$ -	#####	

Projected Closing Date	10/1/2015
L.P. Income (Loss) %	99.99%
L.P. Cash Flow %	99.99%
L.P. Tax Credit %	99.99%

Lower Tier Equity	\$ 9,347,600	Syndication	\$ 95,279	Organization	\$ 190,557	Acquisition	\$ 666,950	Working Capital	\$ 28,702	Other	\$ -	Total	#####
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**EXHIBIT B
TO OPERATING AGREEMENT**

SUMMARY OF PROJECT LOAN TERMS

1.	Lender (Not Related):	New Jersey Housing and Mortgage Finance Agency
	Source:	Tax-Exempt Bonds
	Amount:	\$16,145,000 (the "Bond Loan")
	Type:	Construction
	Summary based on:	Executed Loan Documents
	Interest Rate Protection:	Yes – Fixed Interest Rate
	Credit Enhancement:	No
	Closed at or prior to Initial Closing:	Yes
	Interest Rate:	0.875% Fixed
	Amortization:	N/A – Interest only payments due until maturity
	Payments anticipated to commence:	Initial Closing
	Payment Amount:	Interest only payments due until maturity
	Maturity Date:	September 10, 2017
	Prepayment Penalty/Yield Maint:	None
	Non-recourse to:	N/A – Recourse Debt
	Collateral:	First Mortgage on Project Cash Collateral

2.	Lender (Not Related):	Wells Fargo Bank, N.A.
	Source:	Freddie Mac
	Amount:	\$14,100,000 (the "First Mortgage Loan")
	Type:	Construction/Permanent
	Summary based on:	Draft Loan Documents
	Interest Rate Protection:	Yes – Fixed Interest Rate
	Closed at or prior to Initial Closing:	Yes
	Interest Rate:	4.550% fixed
	Amortization:	35 years after conversion
	Payments anticipated to commence:	November 1, 2016
	Payment Amount:	Interest only payments due prior to conversion After conversion, payments of \$805,992 annually based on Projections
	Maturity Date:	18 years after conversion
	Prepayment Penalty/Yield Maint:	Yes – as set forth in the Promissory Note

Non-recourse to:	All Members after conversion
Requirements for Converting to Permanent:	A. Debt Service Coverage Ratio of 1.15 to 1.00 for 3 months B. 3 months of 90% Qualified Occupancy C. Resizing is permitted to achieve the required Debt Service Coverage Ratio
Collateral:	Second Mortgage on Project during construction First Mortgage on Project after conversion

3. Lender (Not Related):	Moshe Eichler
Source:	Subordinate Bridge Loan
Amount:	\$500,000 (the "Bridge Loan")
Type:	Construction
Summary based on:	Executed Loan Documents
Interest Rate Protection:	Yes – Fixed Interest Rate
Credit Enhancement:	No
Closed at or prior to Initial Closing:	Yes – full amount of Bridge Loan must be funded at Initial Closing
Interest Rate:	5.0% fixed simple interest
Amortization:	N/A
Payments anticipated to commence:	Initial Closing
Payment Amount:	Interest only payments due prior to Maturity
Maturity Date:	December 31, 2017
Prepayment Penalty/Yield Maint:	None
Non-recourse to:	N/A – Recourse Debt
Collateral:	N/A- Unsecured

4. Lender (Not Related):	HOD Prospect
Source:	State Tax Credit proceeds
Amount:	\$5,982,791 (the "State Credit Loan")
Type:	Construction/Permanent
Summary based on:	Executed loan documents
Interest Rate Protection:	Yes – Fixed Interest Rate
Credit Enhancement:	No
Closed at or prior to Initial Closing:	Prior to Final Closing
Interest Rate:	0.5% fixed simple interest
Amortization:	N/A
Payments anticipated to	Payments fully deferred until Maturity

commence:	
Maturity Date:	30 years from Final Closing
Prepayment Penalty/Yield Maint:	None
Non-recourse to:	All Members
Collateral:	N/A- Unsecured

**EXHIBIT C
TO OPERATING AGREEMENT**

INSURANCE REQUIREMENTS

Immediately upon purchase of the Project, and throughout the term of this Agreement, Managing Member shall obtain, and maintain in full force and effect, the following policies of insurance:

- Commercial General Liability insurance, insuring for legal liability of the Company, and caused by bodily injury, property damage, personal injury or advertising injury, arising out of the ownership or management of the Project and including the costs to defend such actions brought against the Company. The policy shall include endorsements adding the Investor Member, Special Investor Member and its successors and/or assigns as additional insureds and certificate holders, and shall be primary coverage for the additional insureds and certificate holders, without contribution from other valid insurance policies which may be carried directly by the additional insureds and certificate holders. Limits of the policy shall be at least \$1 million per occurrence and \$2 million in the aggregate with a maximum deductible of \$10,000. If the policy is written on a blanket basis, and includes other properties, the aggregate limits must be written on a "per project basis." After construction Commercial General Liability shall include products and completed operations insurance.
- Automobile Liability insurance, insuring for legal liability of the Company, and caused by bodily injury, property damage, or personal injury arising out of the ownership or use of motor vehicles, including vehicles not owned by the Company, including uninsured motorist liability, and including the costs to defend such actions brought against the Company. The policy shall include endorsements adding the Investor Member, Special Investor Member and its successors and/or assigns as additional insureds, and shall be primary coverage for the additional insureds, without contribution from other valid insurance policies which may be carried directly by the additional insureds. Limits of the policy shall be at least \$1 million combined single limits per accident.
- When the Managing Member utilizes its own workforce, Worker's Compensation insurance, insuring for occupational disease or injury and employer's liability, and covering the Company's full liability for statutory compensation to any person or persons who perform work for the Company or perform duties on the site of the Project, and liability to the dependents of such persons. The policy will be in a form which complies with the worker's compensation acts and safety laws of the state in which the Project is located. Worker's Compensation limits shall be statutory; Employer's Liability limits shall be at least \$1,000,000 per occurrence.
- Umbrella/Excess Liability insurance, with the Commercial General Liability, Automobile Liability and Employers Liability policies scheduled as underlying policies. Limits of the policy shall be at least \$5 million per occurrence and in the annual aggregate. If the policy is written on a blanket basis, and includes other properties, the aggregate limits must be written on a "per project basis."
- Other forms or types of insurance that the Investor Member may now or hereafter require, including without limitation, earthquake, flood, windstorm, pollution, sinkhole/mine subsidence, ordinance and law coverage and other special hazards.

Prior to the commencement of any construction of the Project, Managing Member shall obtain (or cause to be obtained by the Contractor) and keep in force until the Final Closing:

- Builder's Risk insurance, insuring for all risks of physical loss of or damage (excluding the perils of earthquake and flood, unless specifically required by the Investor member) to the real property comprising or intended to comprise the Project construction, and personal property of the Company used to maintain or service the Project construction, whether located at the site or elsewhere, including while in-transit Coverage Policy shall provide for claims to be paid based upon replacement cost of the lost or damaged property without deduction for depreciation and with coverage for any additional architectural or engineering fees incurred as a result of an insured loss and any other soft costs; loss payment shall be to the Company. Limits of policy will be at least the estimated replacement value of the completed Project. The policy shall have a deductible of no greater than \$10,000 per occurrence. The policy shall carry no coinsurance provisions. The policy shall include an endorsement naming the Investor Member, Special Investor Member and its successors and/or assigns as Loss Payees and Certificate Holders, as their interests may appear, and as additional insureds, and shall allow the Investor Member, Special Investor Member and its successors and/or assigns to be associated in the adjustment of any claim.
- Evidence from the Contractor of Worker's Compensation insurance, insuring for occupational disease or injury and employer's liability, and covering the Contractor's full liability for statutory compensation to any person or persons who perform work in, on, or about the Project construction, including the employees of sub-contractors of any tier, and liability to the dependents of such persons. The policy will be in a form which complies with the worker's compensation acts and safety laws of the state in which the Project is located. Worker's Compensation limits shall be statutory; Employer's Liability Limits shall be at least \$1 million per occurrence.
- Comprehensive General Liability, insuring for legal liability of the Contractor, and caused by bodily injury, property damage, personal injury, including the costs to defend such actions brought against the Contractor, during construction and for a minimum of three years following completion of construction. Limits of the policy shall be at least \$1 million per occurrence and \$2 million in the aggregate with a maximum deductible of \$10,000. Umbrella/Excess Liability insurance limits of the policy shall be at least \$5 million per occurrence and in the annual aggregate. The policy shall include an endorsement naming the Company, Investor Member, Special Investor Member and its successors and/or assigns as additional insureds and certificate holders.
- Comprehensive Automobile Liability Insurance, including hired and non-owned vehicles, if any, in the amount of not less than \$1,000,000 covering personal injury, bodily injury and property damage.
- Pollution coverage insurance providing defense and indemnity coverage for bodily injury, property damage, and environmental investigation and clean-up costs for pollution conditions arising from the contractors operations.

Managing Member shall provide or cause to be provided by the architect for the renovation/construction of the Project, and keep in force until Final Closing:

- Architect's professional liability insurance in the amount of not less than \$1,000,000 (including contractual liability coverage with all coverage retroactive to the earlier of the date of this Agreement or the commencement of the Architects' services in relation to the Project) covering personal injury, bodily injury and property damages. The policy shall include an endorsement naming the Company, Investor Member, Special Investor Member and its successors and/or assigns as Certificate Holders.
- Comprehensive General Liability Insurance (including limited contractual liability and completed operations) in the amount of not less than \$1 million per occurrence and \$2 million in the aggregate covering personal injury, bodily injury and property damage. The policy shall include an endorsement naming the Company, Investor Member, Special Investor Member and its successors and/or assigns as additional insureds and certificate holders.
- Management Agent shall at all times:
 - keep its employees and contractors insured for statutory workers compensation and other employee benefits required by all applicable laws, and the Management Agent shall maintain employer's liability insurance for an amount not less than \$1,000,000 covering claims and suits by or on behalf of employees and others, not otherwise covered by statutory workers' compensation insurance;
 - maintain Comprehensive Commercial General Liability Insurance, including Umbrella/Excess form of liability coverage, in the amounts of not less than \$1 million per occurrence, \$2 million in the aggregate and \$5 million Umbrella/Excess Liability per occurrence, covering personal injury, bodily injury and property damage;
 - maintain employee theft and dishonesty insurance in an amount not less than \$1,000,000 or a fidelity bond issued by a surety acceptable to the Investor Member and Special Investor Member in an amount not less than two months' gross rent for the Project; and
 - maintain Worker's Compensation insurance, insuring for occupational disease or injury and employer's liability, and covering the Management Agent's full liability for statutory compensation to any person or persons who perform work for the Company or perform duties on the site of the Project, and liability to the dependents of such persons. The policy will be in a form which complies with the worker's compensation acts and safety laws of the state in which the Project is located. Worker's Compensation limits shall be statutory; Employer's Liability limits shall be at least \$1,000,000 per occurrence.
 - Maintain business Automobile Liability Insurance covering owned, hired and non-owned autos for limits no less than \$1,000,000 combined single limit per accident for bodily injury, property damage and physical damage (collision and comprehensive)

Company, Investor Member, Special Investor Member and its successors and/or assigns shall be listed as certificate holders and shall be protected in all such insurance by specific inclusion of the Company under an additional insured or alternate employer rider. Management Agent shall provide the Company with a certificate of insurance evidencing that the foregoing insurance is in force and providing not less than 10 days notice to the Company prior to cancellation.

Prior to any occupancy of the Project, Managing Member shall obtain, and shall maintain in full force and effect throughout the term of this Agreement, the following policies of insurance:

- Property Damage insurance, insuring for all risks of physical loss of or damage (excluding the perils of earthquake and flood, unless specifically required by the Investor Member) to the real property comprising the Project, personal property of the Company used to maintain or service the Project, and new construction, additions, alterations and repairs to structures. Policy shall provide for claims to be paid based upon replacement cost of the lost or damaged property without deduction for depreciation and with coverage for any additional architectural or engineering fees incurred as a result of an insured loss and any other soft costs; loss payment shall be to the Company. Limits of policy will be at least the replacement value of the Project (excluding from the value of the Project, site utilities and foundations). The policy shall have a deductible of no greater than \$10,000 per occurrence. The policy shall carry no coinsurance provisions. Coverage and limits shall be extended to include the actual loss of rents sustained due to an insured loss, for a period of at least twelve months from the date of such loss. Coverage shall be further extended to include debris removal, outdoor trees, shrubs, plants and lawns, and Ordinance or Law coverage for the increased costs of construction caused by the enforcement of building, zoning or Project use law. The policy shall include an endorsement naming the Investor Member, Special Investor Member and its successors and/or assigns as Loss Payees and Certificate Holders, as their interests may appear, and as additional insureds, and shall allow the Investor Member and Special Investor Member to be associated in the adjustment of any claim.
- Evidence of Worker's Compensation insurance from any contractor performing work for the Company, insuring for occupational disease or injury and employer's liability, and covering the Contractor's full liability for statutory compensation to any person or persons who perform work in, on, or about the Project, including the employees of sub-contractors of any tier, and liability to the dependents of such persons. The policy will be in a form which complies with the worker's compensation acts and safety laws of the state in which the Project is located. Worker's Compensation limits shall be statutory; Employer's Liability limits shall be at least \$1 million per occurrence.
- If applicable, boiler and machinery insurance written on a comprehensive form basis.
- Rental Interruption insurance in amounts required by all lenders, but not less than the equivalent of actual loss sustained or twelve months' gross rental income.

All such policies shall be underwritten by companies licensed to write such insurance in the state in which the Project is located, and shall be rated in the latest A.M. Best's Insurance Rating Guide with a rating of at least A, and have a financial performance index rating of VII or better. Each policy must be for a term of not less than one year. The Managing Member shall furnish to the Investor Member and Special Investor Member a complete copy of each such policy of insurance. If the policy is not available prior to the Final Closing, then certificates of insurance detailing the policy terms and conditions as noted above shall be provided, but the policies must then be provided within 60 days. All such policies shall include endorsements requiring at least 30 days prior written notice to the Investor Member and Special Investor Member of any cancellation, termination or reduction of coverage therein. Notice of the renewal of any policy shall be made at least 10 days prior to the scheduled date of such renewal, and shall be in the form of endorsement to the policy. Notice to the Investor Member and Special Investor Member of any replacement of any policy shall be made at least 10 days prior to such replacement, and shall be in the form of a copy of the replacement policy, or by certificate, as noted above.

The Managing Member hereby releases and relieves the Investor Member and Special Investor Member for any and all liability, and waives its entire right of recovery against them, with respect to any loss or damage of property or for property damage, bodily injury or personal injury to third-parties arising out of or incident to any loss or peril insured against under any for the foregoing policies, and any other perils for which the Managing Member has arranged insurance.

**EXHIBIT D
TO OPERATING AGREEMENT**

MANAGING MEMBER CERTIFICATE

The undersigned, being the managing member (“Managing Member”) of Prospect Park Urban Renewal, LLC (“Company”), does hereby certify to RBC Tax Credit Equity, LLC, its successors and assigns (“Investor Member”), pursuant to Sections 5.01(d) and **Exhibit K** of the Amended and Restated Operating Agreement of the Company dated as of September 1, 2015 (“Agreement”) that:

1. All conditions and agreements set forth in the Agreement and applicable to the _____ Capital Contribution have been satisfied. Documents being delivered to the Investor Member to satisfy the conditions for the _____ Capital Contribution are attached hereto and listed on the attached “List of Documents”.

2. As set forth in **Exhibit K** of the Agreement, the amount of the Capital Contribution for which payment is now requested is \$ _____, there being no reduction in the amount thereof pursuant to Section 5.01(g) of the Agreement. **[MODIFY AS APPROPRIATE IF ANY ADJUSTMENT SHALL HAVE OCCURRED AND ATTACH SUPPORTING CALCULATIONS AND DOCUMENTATION.]**

3. Each of the representations and warranties set forth in Section 4.01 of the Agreement are true and correct as of the date hereof in all material respects.

4. No conditions specified in Sections 5.03 or 5.05 have occurred which would give rise to the Investor Member’s right either to withhold its payment of a Capital Contribution or to cause a repurchase of its Interest. Excess Development Costs, if any, have been fully paid for by the Managing Member or the Guarantor pursuant to Section 8.10 of the Agreement or the provisions of the Guaranty, as the case may be.

Capitalized terms not defined herein shall have the meanings given to them in the Agreement.

This Certificate may be executed in several counterparts, each of which shall be deemed to be an original copy, and all of which together shall constitute one agreement binding on all parties hereto, notwithstanding that all the parties shall not have signed the same counterpart.

IN WITNESS WHEREOF, the undersigned has executed this certificate this ___ day of _____, 20__.

Prospect Park Apartments CRG, LLC, a New Jersey
limited liability company

By: _____

Name:

Title:

List of Documents

Indicate whether a document is attached to this Managing Member Certificate or was previously delivered

(NOTE: some documents may not be applicable)

Item	Attached	Previously Delivered
Disbursement Request (contractor sworn statements, paid invoices, AIA G702/G703 change orders, lien waivers, sources and uses statement through current draw)		
Post Closing Items (please list)		
Construction Contracts		
Architect's Certificate of Substantial Completion (AIA Form G704)		
Title Date Down /Update (certifying no change in status of title)		
Lien Waivers		
Evidence that Project is In Balance		
Certificate of Occupancy		
Draft Cost Certification		
Recorded Extended Use Agreement		
Final Cost Certificate		
8609 Submission		
Evidence of Occupancy (Certified Rent Rolls and Tenant Income Certification Documents)		
Copies of Permanent Loan documents		
Final Date Down Endorsement through date of Final Closing		
Punchlist Completions		
Evidence of Debt Service Ration Coverage		
Evidence of Stabilization Date		
Substantial Completion		
Final 8609s issued by State Agency		
Evidence of Satisfaction of Minimum Set-Aside Test		
Evidence of Satisfaction of 10% Test		
168 Election		
Filing of 8832		
Final Construction Documents		
- ALTA final As-built Survey		
- Permits and Licenses		
- Sworn Statement or Affidavit of Final Construction Costs		
- Previously Undelivered Change Orders		
- Warranty information		
- Current certificates of insurance		
- Final Soil Report, if applicable		
- REAC deficiencies remedied, if applicable		
- Satisfaction of environmental recommendations, if any		
- Evidence that wetlands not disturbed, if applicable		
- Results of radon sampling, if applicable		
Reports required pursuant to Section 13.04 of Agreement		

**EXHIBIT E
TO OPERATING AGREEMENT**

PLANS AND SPECIFICATIONS APPROVED BY THE INVESTOR MEMBER

(see attached)

Exhibit A: Drawings, Specifications, and Other Documents

LaRosa Building Group, LLC

Prospect Park Apartments

9/9/2015

Drawing List

Drawing	Sheet Title	Drawing Date	LBG Date Stamp
A.0	Cover Page	7/7/2015	7/20/2015
A0.1	Site Plan	7/7/2015	7/20/2015
A0.2	Landscape Plan	7/7/2015	7/20/2015
A0.3	Landscape Details and Notes	7/7/2015	7/20/2015
A.01	Code Matrix	7/7/2015	7/20/2015
A0.01	UFAS Guidelines	7/7/2015	7/20/2015
D1.01	Ground Floor Demolition Plan	7/7/2015	7/20/2015
D1.02	First Floor Demoliton Plan	7/7/2015	7/20/2015
D1.03	2nd - 7th Floor Demoliton Plans	7/7/2015	7/20/2015
D1.04	Typical Floor Demolition Plans	7/7/2015	7/20/2015
D1.05	Roof Demolition Plan	7/7/2015	7/20/2015
D1.51	Ground RCP Demolition Plan	7/7/2015	7/20/2015
D1.51.1	First Floor RCP Demolition Plan	7/7/2015	7/20/2015
D1.52	Typ. Floor RCP Demolition Plan	7/7/2015	7/20/2015
D1.53	9th Floor RCP Demolition Plan	7/7/2015	7/20/2015
A1.01	Ground Floor Plan	7/7/2015	7/20/2015
A1.02	First Floor Plan	7/7/2015	7/20/2015
A1.03	2nd - 7th Floor Plans	7/7/2015	7/20/2015
A1.04	Typical Floor Plans	7/7/2015	7/20/2015
A1.05	Roof Plan	7/7/2015	7/20/2015
A1.06	Roof Details	7/7/2015	7/20/2015
A1.51	Ground Floor RCP Plan	7/7/2015	7/20/2015
A1.51.1	First Floor RCP Plan	7/7/2015	7/20/2015
A1.52	Typical Floor RCP Plan	7/7/2015	7/20/2015
A1.53	9th Floor RCP Plan	7/7/2015	7/20/2015
A2.01	Elevations	7/7/2015	7/20/2015
A2.02	Elevations	7/7/2015	7/20/2015
A2.03	Elevations	7/7/2015	7/20/2015
A2.04	Vestibule/Canopy Plans & Elevations	7/7/2015	7/20/2015
A2.05	Vestibule/Canopy Sections and Details	7/7/2015	7/20/2015
A2.06	Vestibule/Canopy Sections and Details	7/7/2015	7/20/2015
A2.07	Structural Notes & Specifications	7/7/2015	7/20/2015
A3.01	Interior Elevations	7/7/2015	7/20/2015
A3.02	Mailbox Elevation and Details	7/7/2015	7/20/2015
A3.03	Interior Details	7/7/2015	7/20/2015
A3.04	Laundry Room and Details	7/7/2015	7/20/2015
A4.01	Unit A & B Plans All Floors	7/7/2015	7/20/2015
A4.02	Unit C & D Plans First Floor	7/7/2015	7/20/2015
A4.03	Unit C & D Plans Floors 2-9	7/7/2015	7/20/2015
A4.04	Unit E & F Plans First Floor	7/7/2015	7/20/2015
A4.05	Unit G Plan First Floor	7/7/2015	7/20/2015
A4.06	Unit E, F, and G Plans Floors 2-9	7/7/2015	7/20/2015
A4.07	Unit H(ADA) Plan First Floor	7/7/2015	7/20/2015
A4.08	Unit H & H(ADA) Plans	7/7/2015	7/20/2015
A4.09	Unit J Plan First Floor	7/7/2015	7/20/2015
A4.10	Unit K Plan First Floor	7/7/2015	7/20/2015
A4.11	Unit J, K, and L Plans Floors 2-9	7/7/2015	7/20/2015
A4.12	Unit M and N Plans Floors 2-9	7/7/2015	7/20/2015
A4.13	Unit O and P Plans Floors 2-9	7/7/2015	7/20/2015
A5.01	Typ. Kitchen Plans and Elevations	7/7/2015	7/20/2015
A5.02	Kitchen Plans and Elevations	7/7/2015	7/20/2015
A5.03	Kitchen Plans and Elevations	7/7/2015	7/20/2015
A5.04	Kitchen Plans and Elevations	7/7/2015	7/20/2015
A5.05	Kitchen Plans and Elevations	7/7/2015	7/20/2015
A5.06	ADA Kitchen Plans and Elevations	7/7/2015	7/20/2015
A5.07	Ground Floor Kitchen	7/7/2015	7/20/2015
A5.10	Typical Bathroom Plans and Elevs.	7/7/2015	7/20/2015
A5.11	Typical Bathroom Plans and Elevs.	7/7/2015	7/20/2015
A5.12	ADA Bathroom Plans and Elevs.	7/7/2015	7/20/2015
A5.13	Ground Floor ADA Lavatory	7/7/2015	7/20/2015
A6.01	Wall and Window Types	7/7/2015	7/20/2015
A6.02	Door Types	7/7/2015	7/20/2015
A6.03	Unit Door Schedules	7/7/2015	7/20/2015
A6.04	Unit Door Schedules	7/7/2015	7/20/2015
M1	Ground & 1st Floor Mechanical Plans	7/7/2015	7/9/2015
P1	Ground & 1st Floor Plumbing Plans	7/7/2015	7/9/2015

MP2	2nd - 7th & 8th - 9th Floors Mechanical & Plumbing Plans	7/7/2015	7/9/2015
MP3	Mechanical & Plumbing Legends, Schedules & Details	7/7/2015	7/9/2015
E1	Ground Floor Lighting & Power Plans	7/7/2015	7/9/2015
ES1	Electrical Site Lighting	7/7/2015	7/9/2015
DE1	Electrical Notes & Legends	8/12/2015	8/17/2015
DE2	Electrical Panels	7/7/2015	7/9/2015
UE1	Electrical Unit Plans 1st Floor	8/12/2015	8/17/2015
UE2	Electrical Unit Plans 1st Floor	8/12/2015	8/17/2015
UE3	Typical Electrical Unit Plans, 2nd - 9th Flr	8/12/2015	8/17/2015
UE4	Typical Electrical Unit Plans, 2nd - 9th Flr	8/12/2015	8/17/2015
UE5	Typical Electrical 'H' Unit Plan, 2nd - 9th Flr	8/12/2015	8/17/2015

Specification List			
Spec Section Number	Specification Title	Specification Date	LBG Date Stamp
Cover Page	Cover Page	7/7/2015	7/13/2015
000001	Index	7/7/2015	7/13/2015
000700	General Conditions of the Contract for Construction	7/7/2015	7/13/2015
000800	Supplementary Conditions of the Contract for Construction	7/7/2015	7/13/2015
000822	Wage Rate Requirements	7/7/2015	7/13/2015
000850	Asbestos and Hazardous Materials Exclusions	7/7/2015	7/13/2015
011000	Summary of Work	7/7/2015	7/13/2015
011100	Special Project Procedures	7/7/2015	7/13/2015
013000	Submittals and Substitutions	7/7/2015	7/13/2015
015000	Temporary Facilities	7/7/2015	7/13/2015
017700	Closeout Procedures	7/7/2015	7/13/2015
024110	Selective Demolition	7/7/2015	7/13/2015
042000	Unit Masonry	7/7/2015	7/13/2015
044000	Granite Countertops	7/7/2015	7/13/2015
045250	Clay Masonry Repointing	7/7/2015	7/13/2015
047200	Cast Stone	7/7/2015	7/13/2015
061000	Rough Carpentry	7/7/2015	7/13/2015
064000	Architectural Woodwork	7/7/2015	7/13/2015
072710	Firestopping	7/7/2015	7/13/2015
075323	Ethylene-Propylene-Diene-Monomer (EPDM) Roofing	7/7/2015	7/13/2015
076200	Sheet Metal Flashing and Trim	7/7/2015	7/13/2015
077200	Roof Accessories	7/7/2015	7/13/2015
079200	Joint Sealers	7/7/2015	7/13/2015
081113	Hollow Metal Doors and Frames	7/7/2015	7/13/2015
081433	Stile and RailWood Doors	7/7/2015	7/13/2015
083113	Access Doors	7/7/2015	7/13/2015
084113	Aluminum - Framed Entrances and Storefronts	7/7/2015	7/13/2015
085113	Aluminum Windows	7/7/2015	7/13/2015
087100	Door Hardware	7/7/2015	7/13/2015
092216	Non-Structural Metal Framing	7/7/2015	7/13/2015
092400	Portland Cement Plaster	7/7/2015	7/13/2015
092900	Gypsum Board	7/7/2015	7/13/2015
093000	Tiling	7/7/2015	7/13/2015
095113	Acoustical Panel Ceilings	7/7/2015	7/13/2015
096519	Resilient Tile Flooring	7/7/2015	7/13/2015
099100	Painting	7/7/2015	7/13/2015
101400	Signage	7/7/2015	7/13/2015
102800	Toilet Accessories	7/7/2015	7/13/2015
103100	Vent Free Fireplace	7/7/2015	7/13/2015
104416	Fire Extinguishers, Cabinets and Accessories	7/7/2015	7/13/2015
105500	Postal Specialties	7/7/2015	7/13/2015
109010	Bathtub Refinishing	7/7/2015	7/13/2015
113100	Residential Appliances	7/7/2015	7/13/2015
122113	Horizontal Louver Blinds	7/7/2015	7/13/2015
123530	Residential Casework	7/7/2015	7/13/2015
320117	Asphalt Paving Crack Sealing	7/7/2015	7/13/2015
320119	Asphalt Emulsion Seal Coat	7/7/2015	7/13/2015
321723	Pavement Markings	7/7/2015	7/13/2015

Other Documents List	
Document Title	Document Date
A & B Leadmasters Lead Inspection Summary Report	7/14/2015
A & B Leadmasters Lead Free Certificate	7/13/2015
A & B Leadmasters Asbestos Report	9/3/2015
LBG Notes & Qualifications	9/9/2015
GRS Group Phase I Environmental Site Assessment	3/31/2015
Affirmative Action & Prevailing Wage Requirements for Construction Projects Undertaken with NJEDA Financial	September 2012
New Jersey Economic Development Authority Affirmative Action Addendum to Construction Contract	1/29/2014

EXHIBIT F
TO OPERATING AGREEMENT
DEVELOPMENT AGREEMENT

THIS DEVELOPMENT AGREEMENT (the “Development Agreement”) made as of September 1, 2015 by and between Prospect Park Urban Renewal, LLC, a New Jersey limited liability company (the “Company”) and CRG Developers LLC, a New York limited liability company (the “Developer”).

Recitals

WHEREAS, the Company was formed to acquire, construct, develop, improve, maintain, own, operate, lease, dispose of and otherwise deal with an apartment project located in East Orange, Essex County, New Jersey, known as the Prospect Park Apartments (the “Project”);

WHEREAS, the Project, following the completion of rehabilitation, is expected to constitute a “qualified low-income housing project” (as defined in Section 42(g)(1) of the Code);

WHEREAS, the Developer has provided and will continue to provide certain services with respect to the Project during the acquisition, development, rehabilitation and initial operating phases thereof;

WHEREAS, in consideration for such services, the Company has agreed to pay to the Developer certain fees computed in the manner stated herein;

WHEREAS, capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Amended and Restated Operating Agreement of the Company of even date herewith (the “Agreement”).

NOW, THEREFORE, in consideration of the recitals, covenants and agreements set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which hereby are acknowledged, the parties agree as follows:

Section 1. Development Services.

(a) The Developer has performed certain services relating to the development of the Project and shall oversee the development and rehabilitation of the Project, and shall perform the services and carry out the responsibilities with respect to the Project as are set forth herein, and such additional duties and responsibilities as are reasonably within the general scope of such services and responsibilities and are designated from time to time by the Company.

(b) The Developer’s services shall be performed in the name and on behalf of the Company and shall consist of the duties set forth in subparagraphs (i)-(xiii) below of this Section 1(b) and as provided elsewhere in this Development Agreement; provided, however, that if the performance of any duty of the Developer set forth in this Development Agreement is beyond the reasonable control of the Developer, the Developer shall nonetheless be obligated to (i) use its best

efforts to perform such duty and (ii) promptly notify the Company that the performance of such duty is beyond its reasonable control. The Developer has performed or shall perform the following:

(i) Negotiate and cause to be executed in the name and on behalf of the Company any agreements for architectural, engineering, testing or consulting services for the Project, and any agreements for the rehabilitation of any improvements or tenant improvements to be constructed or installed by the Company, and the furnishing of any supplies, materials, machinery or equipment therefor, and any amendments thereof, provided that no agreement shall be executed nor binding commitment made until the terms and conditions thereof and the party with whom the agreement is made have been approved by the Managing Member unless the terms, conditions, and parties comply with guidelines issued by the Managing Member concerning such agreements.

(ii) Assist the Company in identifying sources of construction financing for the Project and negotiate the terms of such financing with lenders.

(iii) Establish and implement appropriate administrative and financial controls for the design and rehabilitation of the Project, including but not limited to:

(A) coordination and administration of the Project architect, the general contractor, and other contractors, professionals and consultants employed in connection with the design or rehabilitation of the Project;

(B) administration of any construction contracts on behalf of the Company;

(C) participation in conferences and the rendering of such advice and assistance as will aid in developing economical, efficient and desirable design and construction procedures;

(D) the rendering of advice and recommendations as to the selection of subcontractors and suppliers;

(E) the review and submission to the Company for approval of all requests for payments under any architectural agreement, general contractor's agreement, or any loan agreements with any lending institutions providing funds for the benefit of the Company for the design or rehabilitation of any improvements;

(F) the submission of any suggestions or requests for changes, which could in any reasonable manner improve the design, efficiency or cost of the Project;

(G) applying for and maintaining in full force and effect any and all governmental permits and approvals required for the lawful rehabilitation of the Project;

(H) compliance with all terms and conditions applicable to the Company or the Project contained in any governmental permit or approval required or obtained for the lawful rehabilitation of the Project, or in any insurance policy affecting or covering the Project, or in any surety bond obtained in connection with the Project;

(I) furnishing such consultation and advice relating to the Project as may be reasonably requested from time to time by the Company;

(J) keeping the Company fully informed on a regular basis of the progress of the design and rehabilitation of the Project, including the preparation of such reports as are provided for herein or as may reasonably be requested by the Company and which are of a nature generally requested or expected of construction managers or similar owner's representatives on similar projects;

(K) giving or making the Company's instructions, requirements, approvals and payments provided for in the agreements with the Project architect, general contractor, and other contractors, professionals and consultants retained for the Project; and

(L) at the Company's expense, filing on behalf of and as the attorney-in-fact for the Company any notices of completion required or permitted to be filed upon the completion of any improvement(s) and taking such actions as may be required to obtain any certificates of occupancy or equivalent documents required to permit the occupancy of the Project.

(iv) Inspect the progress of the course of rehabilitation of the Project, including verification of the materials and labor being furnished to and on such rehabilitation so as to be fully competent to approve or disapprove requests for payment made by the Project architect and the general contractor, or by any other parties with respect to the design or rehabilitation of the Project, and in addition to verify that the rehabilitation is being carried out substantially in accordance with the plans and specifications approved by the Company or, in the event rehabilitation is not being so carried out, to promptly notify the Company.

(v) If requested to do so by the Company, perform on behalf of the Company all obligations of the Company with respect to the design or rehabilitation of the Project contained in any loan agreement or security agreement in connection with the Project, or in any lease or rental agreement relating to space in the Project, or in any agreement entered into with any governmental body or agency relating to the terms and conditions of such rehabilitation, provided that copies of such agreements have been provided by the Company to the Developer or the Company has otherwise notified the Developer in writing of such obligations.

(vi) To the extent requested to do so by the Company, prepare and distribute to the Company a critical path schedule, and periodic updates thereto as necessary to reflect any material changes, but in any event not less frequently than quarterly, other design or rehabilitation cost estimates as required by the Company, and financial accounting reports, including monthly progress reports on the quality, progress and cost of rehabilitation and recommendations as to the drawing of funds from any loans arranged by the Company to cover the cost of design and rehabilitation of the Project, or as to the providing of additional capital contributions should such loan funds for any reason be unavailable or inadequate.

(vii) At the Company's expense, obtain and maintain insurance coverage for the Project, the Company, the Management Agent, and the Developer and its employees, at all times until final completion of rehabilitation of the Project, in accordance with an insurance schedule approved by the Company, which insurance shall include general public liability

insurance covering claims for personal injury, including but not limited to bodily injury, or property damage, occurring in or upon the Property or the streets, passageways, curbs and vaults adjoining the Property. Such insurance shall be in a liability amount approved by the Company.

(viii) Comply with all applicable present and future laws, ordinances, orders, rules, regulations and requirements (hereinafter in this subparagraph (viii) called "laws") of all federal, state and municipal governments, courts, departments, commissions, boards and offices, any national or local Board of Fire Underwriters or Insurance Services having jurisdiction in the county in which the Project is located or any other body exercising functions similar to those of any of the foregoing, or any insurance carriers providing any insurance coverage for the Company or the Project, which may be applicable to the Project or any part thereof. Any such compliance undertaken by the Developer on behalf of and in the name of the Company, in accordance with the provisions of this Development Agreement, shall be at the Company's expense. The Developer shall likewise ensure that all agreements between the Company and independent contractors performing work in connection with the Project shall include the agreement of said independent contractors to comply with all such applicable laws.

(ix) Assemble and retain all contracts, agreements and other records and data as may be necessary to carry out the Developer's functions hereunder. Without limiting the foregoing, the Developer will prepare, accumulate and furnish to the Company and the appropriate governmental authorities, as necessary, data and information sufficient to identify the market value of improvements in place as of each real property tax lien date, and will take application for appropriate exclusions from the capital costs of the Project for purposes of real property ad valorem taxes.

(x) Coordinate and administer the design and rehabilitation of all interior tenant improvements to the extent required under any leases or other occupancy agreements to be constructed or furnished by the Company with respect to the initial leasing of space in the Project, whether involving building standard or non-building standard work.

(xi) Use its best efforts to accomplish the timely completion of the Project in accordance with the approved plans and specifications and the time schedules for such completion approved by the Company.

(xii) At the direction of the Company, implement any decisions of the Company made in connection with the design, development and rehabilitation of the Project or any policies and procedures relating thereto, exclusive of leasing activities.

(xiii) Perform and administer any and all other services and responsibilities of the Developer which are set forth in any other provisions of this Development Agreement, or which are requested to be performed by the Company and are within the general scope of the services described herein. In no event shall Developer be responsible for or act on behalf of the Company with respect to (1) site identification, acquisition or feasibility analyses, (2) obtaining either federal low income tax credits, (3) identifying potential Investor Member investors or negotiating the terms and conditions related to such investors' investment in the Company, or (4) identifying potential lenders of permanent financing for the project, securing permanent loan commitments or negotiating the terms and conditions

of permanent loans for the Project; all such foregoing activities are to be performed by the Managing Member.

Section 2. Limitations and Restrictions. Notwithstanding any provisions of this Development Agreement, the Developer shall not take any action, expend any sum, make any decision, give any consent, approval or authorization, or incur any obligation with respect to any of the following matters unless and until the same has been approved by the Company:

(a) Approval of all construction and architectural contracts and all architectural plans, specifications and drawings prior to the rehabilitation and/or alteration of any improvements contemplated thereby, except for such matters as may be expressly delegated in writing to the Developer by the Company;

(b) Any proposed change in the work of the rehabilitation of the Project, or in the plans and specifications therefor as previously approved by the Company, or in the cost thereof, or any other change which would affect the design, cost, value or quality of the Project, except for such matters as may be expressly delegated in writing to the Developer by the Company;

(c) Making any expenditure or incurring any obligation by or on behalf of the Company or the Project involving a sum in excess of \$25,000 or involving a sum of less than \$5,000 where the same relates to a component part of any work, the combined cost of which exceeds \$25,000, except for expenditures made and obligations incurred pursuant to and specifically set forth in a construction budget approved by the Company (the "Construction Budget") or for such matters as may be otherwise expressly delegated to the Developer by the Company;

(d) Making any expenditure or incurring any obligation which, when added to any other expenditure, exceeds the Construction Budget or any line item specified in the Construction Budget, except for such matters as may be otherwise expressly delegated in writing to the Developer by the Company; or

(e) Expending more than what the Developer in good faith believes to be the fair and reasonable market value at the time and place of contracting for any goods purchased or leased or services engaged on behalf of the Company or otherwise in connection with the Project.

Section 3. Accounts and Records.

(a) The Developer on behalf of the Company, shall keep such books of account and other records as may be required and approved by the Company, including, but not limited to, records relating to the costs of construction and rehabilitation advances. The Developer shall keep vouchers, statements, receipted bills and invoices and all other records, in the form approved by the Company, covering all collections, if any, disbursements and other data in connection with the Project prior to final completion of rehabilitation. All accounts and records relating to the Project, including all correspondence, shall be surrendered to the Company, upon demand without charge therefor.

(b) The Developer shall cooperate with the Management Agent to facilitate the timely preparation by the Management Agent of such reports and financial statements as the Management Agent is required to furnish pursuant to the Management Agreement.

(c) All books and records prepared or maintained by the Developer shall be kept and maintained at all times at the place or places approved by the Company, and shall be available for and subject to audit, inspection and copying by the Management Agent, the Company or any representative or auditor thereof or supervisory or regulatory authority, at the times and in the manner set forth in the Agreement.

Section 4. Obligation To Complete Rehabilitation and to Pay Development Costs.

The Developer shall complete the rehabilitation of the Project or cause the same to be completed in a good and workmanlike manner, free and clear of all mechanics', materialmen's or similar liens, and shall equip the Project or cause the same to be equipped with all necessary and appropriate fixtures, equipment and articles of personal property, including refrigerators and ranges, provided for in the Project Documents and the Plans and Specifications. The Developer also shall cause the achievement of Final Closing in accordance with the terms of the Agreement. If the Specified Proceeds as available from time to time are insufficient to cover all Development Costs and achieve Final Closing, the Developer shall advance or cause to be advanced to the Company from time to time as needed all such funds as are required to pay such deficiencies (the "Development Advances"). Any Development Advances shall, to the extent permitted under the Project Documents and any applicable regulations or requirements of any Project Lender or Agency, be reimbursed at or prior to Final Closing only out of Specified Proceeds available from time to time after payment of all Development Costs. Any balance of the amount of each Development Advance not reimbursed through Final Closing shall not be reimbursable, shall not be credited to the Capital Account of any Member, or otherwise change the interest of any Person in the Company, but shall be borne by the Developer under the terms of this Development Agreement.

Section 5. Development Amount.

Any Development Advances made by the Developer shall be reimbursed from Specified Proceeds as set forth in Section 4. As reimbursement for any additional Development Advances and as a fee for its services in connection with the development of the Project and the supervision of the construction/rehabilitation of the Project, the Developer shall be paid (the "Development Amount") an amount equal to \$2,621,400. The Development Amount shall be deemed to have been earned as and when the services specified herein shall have been rendered, as follows:

- (i) twenty percent (20%) prior to the Initial Closing for preconstruction development services;
- (ii) thirty percent (30%) upon commencement of construction/rehabilitation of the Project;
- (iii) fifty percent (50%) upon the placement in service of 100% of the Project units.

The Development Amount shall be paid in two installments as follows:

- (i) \$969,317 upon satisfaction of the conditions to the payment of the Investor Member of its Sixth Capital Contribution;
- (ii) \$1,652,083 upon satisfaction of the conditions to the payment of the Investor Member of its Final Capital Contribution (of which amount \$1,184,703 is expected to be deferred and paid from Net Cash Flow in accordance with the paragraph below).

Any installment of the Development Amount not paid when otherwise due hereunder shall be deferred with interest at a rate of 8.0% per annum commencing upon payment of the Final Capital Contribution and shall be paid from next available Net Cash Flow in the priority set forth in Section 11.03(b) of the Agreement; provided, however, that any unpaid balance of the Development Amount shall be due and payable in all events by the end of the Compliance Period. Notwithstanding anything to the contrary contained in this Development Agreement, no installment of the Development Amount shall be paid to the Developer unless and until all then required Development Costs have been paid and/or funded.

Notwithstanding anything else in this Development Agreement to the contrary, if the Developer fails to complete construction of the Project at a total depreciable cost such that the Project does not satisfy the "50% test" under Code Section 42(h)(4)(B), then the Development Fee shall be reduced on a dollar for dollar basis to the extent the payment of such Development Fee would cause less than 51% of the aggregate cost basis of the construction and the basis of the land on which the construction is located, as such terms are defined in Code Section 42(h)(4)(B), to be financed by an obligation described in Code Section 42(h)(4)(A).

Section 6. Applicable Law.

This Agreement, and the application or interpretation hereof, shall be governed by and construed in accordance with the laws of the State of New Jersey.

Section 7. Binding Agreement.

This Agreement shall be binding on the parties hereto, their heirs, executors, personal representatives, successors and assigns.

Section 8. Default and Remedies.

a. If the Developer shall default in the performance of any of its covenants or obligations under this Development Agreement and such default shall continue unremedied for a period of 30 days after written notice thereof from the Company to the Developer, the Company may exercise one or more of the following rights and remedies, provided, however, if the default is of such a nature that it cannot be cured within the 30-day period, and the Developer has commenced to cure each default within the 30-day period, the Developer shall have an additional 30 days in which to cure said default provided it acts in good faith and with due diligence to cure the same (all of which shall be cumulative):

1. Terminate this Development Agreement;
2. Enforce the provisions of this Development Agreement by legal proceedings for the specific performance of any covenant or agreement contained herein or for the enforcement of any other appropriate legal or equitable remedy and recover damages caused by any breach by the Developer of the provisions of this Development Agreement, including court costs, reasonable attorneys' fees and other expenses incurred in the enforcement of the obligations of the Developer hereunder; and/or

3. Exercise any and all rights and remedies which the Company (or its Members) may have under applicable law.

b. In addition to any rights now or hereafter granted under applicable law and not by way of limitation of any such rights, upon the occurrence of any event of default hereunder which is not cured within the time period specified in Section 8(a) above, the Company is authorized to set off and to apply any amounts payable to the Developer hereunder, or under the Agreement against and on account of the obligations of the Developer to the Company hereunder.

c. As long as Developer is not in default under this Development Agreement, the obligation of the Company to pay the Development Amount shall not be affected by any change in the identity of the Managing Member of the Company. However, if the Managing Member is in default of its obligations under Section 8.10(a) of the Agreement, the Developer agrees that the Company may suspend payment of the Development Amount until the earlier to occur of (i) the cure of the Section 8.10(a) default, or (ii) the Managing Member has made a Special Capital Contribution in accordance with Sections 5.01(b) and 8.10(a)(iv) of the Agreement.

Section 9. Headings.

All section headings in this Development Agreement are for convenience of reference only and are not intended to qualify the meaning of any section.

Section 10. Terminology.

All personal pronouns used in this Development Agreement, whether used in the masculine, feminine or neuter gender, shall include all other genders, the singular shall include the plural, and vice versa as the context may require.

For purposes of this Development Agreement, the following terms have the following meanings:

“Specified Proceeds” means (i) the proceeds of all Project Loans, (ii) the net rental income, if any, generated by the Project prior to Final Closing which is permitted by the Project Lenders to be applied to the payment of Development Costs, (iii) the Capital Contributions of the Investor Member, (iv) the Capital Contributions of the Managing Member in the amounts set forth in Section 5.01(a) of the Agreement as of the Initial Closing, and (v) any insurance proceeds arising out of casualties occurring prior to Final Closing.

Section 11. Benefit of Agreement.

The obligations and undertakings of the Developer set forth in this Development Agreement are made for the benefit of the Company and its Members and shall not inure to the benefit of any creditor of the Company other than a Member, notwithstanding any pledge or assignment by the Company of this Development Agreement of any rights hereunder.

Section 12. Notice.

All notices, demands, consents, requests, or other communications that are either required or contemplated in connection with this Development Agreement shall be in writing, and shall be deemed given to the intended recipient thereof upon the earlier of: (a) actual delivery thereof at the address designated below for such intended recipient; (b) the first Business Day after deposit with a nationally recognized, reputable commercial courier service, such as Federal Express Company, with all charges prepaid; (c) when sent by facsimile transmission (with written confirmation of receipt); or (d) the third Business Day after the deposit thereof at any main or branch United States post office with postage prepaid for delivery thereof via certified or registered first class mail, return receipt requested, and in any such case addressed as follows:

To the Company:

Prospect Park Urban Renewal, LLC
c/o Capital Realty Group, Inc.
86 Rt. 59 E.
Spring Valley, NY 10977
Attention: Moshe Eichler

With a copy to:
Berman Indictor LLP
30 North 41st Street, Suite 450
Philadelphia, PA 19104
Attention: Steven P. Berman

and to:

RBC Tax Credit Equity, LLC
600 Superior Avenue, Suite 2300
Cleveland, Ohio 44114
Attention: President and General Counsel
Fax No.: (216) 875-2612

To the Developer:

CRG Developers LLC
c/o Capital Realty Group, Inc.
86 Rt. 59 E.
Spring Valley, NY 10977
Attention: Moshe Eichler, President


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IN WITNESS WHEREOF, the parties have caused this Development Agreement to be duly executed as of the date first written above.

COMPANY:


Prospect Park Urban Renewal, LLC, a New Jersey limited liability company

By: Prospect Park Apartments CRG, LLC,
its managing member

By: 
Name: Moshe Eichler
Title: Managing Member

DEVELOPER:

CRG Developers LLC, a New York limited liability company

By: 
Name: Moshe Eichler
Title: Manager

**EXHIBIT G
TO OPERATING AGREEMENT**

GUARANTY

THIS GUARANTY (the “Guaranty”), made as of September 1, 2015, is by Prospect Park Apartments CRG, LLC, a New Jersey limited liability company (“Managing Member”), CRG Developers, LLC, a New York limited liability company (“CRG”), Moshe Eichler, an individual resident of the State of New York (“Eichler”), and Sam Horowitz, an individual resident of the State of New York (“Horowitz”) for the benefit of RBC Tax Credit Equity, LLC, its successors and/or assigns (“RBC”). Each of the Managing Member, CRG, Eichler, and Horowitz are referred to herein individually as a “Guarantor” and collectively as the “Guarantors”.

Recitals

WHEREAS, Prospect Park Apartments CRG, LLC is the managing member of Prospect Park Urban Renewal, LLC, a New Jersey limited liability company (the “Company”);

WHEREAS, the Company is governed by its Amended and Restated Operating Agreement dated as of September 1, 2015 (the “Agreement”);

WHEREAS, CRG is the developer of the Project (in such capacity, the “Developer”) and the Developer and the Company have entered into that certain Development Agreement dated as of the date hereof (the “Development Agreement”);

WHEREAS, RBC has been requested to enter into the Agreement and the Company with the Managing Member;

WHEREAS, Each Guarantor is an affiliate of the Managing Member and/or the Developer, and believes it shall substantially benefit, directly or indirectly, from RBC’s entering into the Agreement and the Company with the Managing Member; and

WHEREAS, as a condition to entering into the Agreement and the Company, RBC has required each Guarantor to guarantee to RBC the obligations of the Managing Member and the Developer under the Agreement and certain other items as herein set forth;

NOW, THEREFORE, in order to induce RBC to enter into the Agreement and the Company in consideration of the premises and for other good and valuable consideration, the receipt and sufficiency of which hereby are acknowledged, the Guarantor hereby covenants and agrees as follows:

1. Each Guarantor irrevocably and unconditionally fully guarantees the due, prompt and complete performance of each and every one of the following obligations: (a) the payment and performance by the Managing Member of each and every obligation of the Managing Member due under the Agreement; and (b) the payment and performance by the Developer of each and every obligation of the Developer under the Development Agreement; and (c) the due, prompt and complete payment of all costs and expenses (including, without limitation, reasonable attorneys’ fees) incurred by RBC in collection of the enforcement of this Guaranty against the Guarantor (the

obligations described in this Paragraph 1 are hereinafter collectively referred to as the "Indebtedness").

2. Each Guarantor hereby grants to RBC, in the uncontrolled discretion of RBC, and without notice to any Guarantor, the power and authority to deal in any lawful manner with the Indebtedness and the other obligations guaranteed hereby, and without limiting the generality of the foregoing, further power and authority, from time to time:

(a) to renew, compromise, extend, accelerate or otherwise change the time or place of payment of or to otherwise change the terms of the Indebtedness;

(b) to modify or to waive any of the terms of the Agreement, the Development Agreement and/or any other obligations guaranteed hereby;

(c) to take and hold security for the payment of the Indebtedness and/or performance of the other obligations guaranteed hereby and to impair, exhaust, exchange, enforce, waive or release any such security;

(d) to direct the order or manner of sale of any such security as RBC, in its discretion, may determine;

(e) to grant any indulgence, forbearance or waiver with respect to the Indebtedness or any of the other obligations guaranteed hereby;

(f) to remove the Managing Member pursuant to the terms of the Agreement;

(g) to release or waive rights against any one or more Guarantors without releasing or waiving any rights against any other Guarantor; and/or

(h) to agree to any valuation by RBC of any collateral securing payment of any of the Indebtedness in any proceedings under the United States Bankruptcy Code concerning RBC or the Guarantor.

The liability of each Guarantor hereunder shall not be affected, impaired or reduced in any way by any action taken by RBC under the foregoing provisions or any other provision hereof, or by any delay, failure or refusal of RBC to exercise any right or remedy it may have against the Managing Member or any other person, firm or corporation, including other guarantors, if any, liable for all or any part of the Indebtedness or any of the other obligations guaranteed hereby. With respect to the removal of the Managing Member, the Guarantors shall remain liable for all Indebtedness regardless of when accrued or asserted, provided, however, that the Guarantors shall have no liability under the Guaranty for matters occurring or arising after the date of the removal that are solely attributable to the actions or inactions of any successor Managing Member.

3. Each Guarantor agrees that if any of the Indebtedness is not fully and timely paid or performed according to the tenor thereof, whether by acceleration or otherwise, the Guarantors shall immediately upon receipt of written demand therefor from RBC pay all of the Indebtedness hereby guaranteed in like manner as if the Indebtedness constituted the direct and primary obligation of each Guarantor. The Guarantors shall not have any right of subrogation as a result of any payment hereunder or any other payment made by the Guarantor on account of the Indebtedness, and each Guarantor hereby waives, releases and relinquishes any claim based on any right of subrogation,

any claim for unjust enrichment or any other theory that would entitle a Guarantor to a claim against the Managing Member based on any payment made hereunder or otherwise on account of the Indebtedness.

4. (a) CRG is a limited liability company organized under the laws of the State of New York and is qualified to transact business in the State of New Jersey, Eichler is an individual resident of the State of New York and Horowitz is an individual resident of the State of New York. Each Guarantor has the full power and authority to execute, enter into and perform its obligations under this Guaranty.

(b) This Guaranty has been duly executed and delivered to RBC, and the obligations of each Guarantor set forth herein are the legal, valid and binding obligations of each Guarantor enforceable in accordance with the terms hereof subject to creditors rights and general principles of equity. Neither the entry into nor the performance of and compliance with this Guaranty has resulted or will result in any violation of, or a conflict with or a default under each Guarantor's charter documents, any judgment, decree, order, mortgage, indenture contract, agreement or lease by which each Guarantor or any of its property is bound or any statute, rule or regulation applicable to each Guarantor.

5. The Guarantors represent and warrant that they have an aggregate minimum liquidity (cash and marketable securities) of \$1,000,000 and an aggregate minimum net worth (determined in accordance with generally accepted accounting principles) of \$10,000,000. Each Guarantor agrees that it will provide to the Investor Member, annually within sixty (60) days after the beginning of each fiscal year and more frequently upon the request of the Investor Member, updated unaudited financial statements, including a balance sheet, an income statement, a statement of changes in financial position, and such other statements as the Investor Member may reasonably request, prepared in accordance with generally accepted accounting practices, consistently applied, and certified as true and complete, without qualification, by the appropriate financial officer of such Guarantor or, if required by the Investor Member, by an independent certified public accountant acceptable to the Investor Member, together with such supporting documentation as the Investor Member may reasonably request. If audited financial statements are prepared for any Guarantor for any period, the Guarantor shall furnish a copy of the same to the Investor Member.

6. This Guaranty and the obligations of each Guarantor hereunder shall be continuing and irrevocable until the Indebtedness has been satisfied in full. Notwithstanding the foregoing or anything else set forth herein, and in addition thereto, if at any time all or any part of any payment received by RBC from a Guarantor under or with respect to this Guaranty is or must be rescinded or returned for any reason whatsoever (including, but not limited to, determination that said payment was a voidable preference or fraudulent transfer under insolvency, bankruptcy or reorganization laws), then each Guarantor's obligations hereunder shall, to the extent of the payment rescinded or returned, be deemed to have continued in existence, notwithstanding such previous receipt of payment by RBC, and each Guarantor's obligations hereunder shall continue to be effective or be reinstated as to such payment, all as though such previous payment to RBC had never been made. The provisions of the foregoing sentence shall survive termination of this Guaranty, and shall remain a valid and binding obligation of each Guarantor until satisfied.

7. Each Guarantor hereby waives notice of acceptance of this Guaranty by RBC and this Guaranty shall immediately be binding upon each Guarantor. Any Guarantor who executes this

Guaranty shall be fully bound hereby regardless of whether or not any other Guarantor subsequently executes this Guaranty.

8. Each Guarantor hereby waives and agrees not to assert or take advantage of:

(a) any right to require the Managing Member to proceed against any other person or to proceed against or exhaust any security held by the Managing Member at any time or to pursue any other remedy in the Managing Member's power before proceeding against any one or more Guarantors hereunder;

(b) any right to require RBC to proceed against the Managing Member or any other person or to proceed against or exhaust any security held by RBC at any time or to pursue any other remedy in RBC's power before proceeding against Guarantor hereunder;

(c) the defense of the statute of limitations in any action hereunder or in any action for the collection of the Indebtedness or the performance of any other obligations guaranteed hereby;

(d) any defense that may arise by reason of the incapacity, lack of authority, death or disability of any other person or persons or the failure of RBC to file or enforce a claim against the estate (in administration, bankruptcy or any other proceeding) of any other person or persons;

(e) demand, presentment for payment, notice of non-payment, protest, notice of protest and all other notices of any kind, including, without limitation, notice of the existence, creation or incurring of any new or additional indebtedness or obligation or of any action or non-action on the part of RBC or any endorser or creditor of RBC or any Guarantor or on the part of any other person whomsoever under this or any other instrument in connection with any obligation or evidence of indebtedness held by RBC or in connection with the Indebtedness;

(f) any defense based upon an election of remedies by RBC, the right of Guarantor to proceed against RBC for reimbursement, or both, or if contrary to the express agreement of the parties, New Jersey law is deemed to apply to this Guaranty, any rights or benefits under the bankruptcy and insolvency laws of the State of New Jersey or under Sections 364 and 1111 of the U.S. Bankruptcy Code as same may be amended or replaced from time to time;

(g) any election by RBC to exercise any right or remedy it may have against the Company or any security held by RBC, including, without limitation, the right to foreclose upon any such security by judicial or non-judicial sale, without affecting or impairing in any way the liability of any Guarantor hereunder, except to the extent the indebtedness has been paid, and each Guarantor waives any default arising out of the absence, impairment or loss of any right of reimbursement, contribution or subrogation or any other right or remedy of the Guarantors against the Company or any such security whether resulting from such election by RBC or otherwise. Each Guarantor understands that if all or any part of the liability of the Company to RBC for the Indebtedness is secured by real property each Guarantor shall be liable for the full amount of their liability hereunder, notwithstanding foreclosure on such real property by trustee sale or any other reason impairing the Guarantors' right to proceed against the Company; and

(h) all duty or obligation on the part of RBC to perfect, protect, not impair, retain or enforce any security for the payment of the Indebtedness or performance of any of the other obligations guaranteed hereby.

9. All existing and future indebtedness of the Managing Member to the Guarantors or to any person controlled or owned in whole or in part by any of the Guarantors and, the right of the Guarantors to withdraw or to cause or permit any person controlled or owned in whole or in part by any of the Guarantors to withdraw any capital invested by such Guarantor or such person in the Managing Member, is hereby subordinated to the Indebtedness at any time after a default exists under the Indebtedness. Furthermore, without the prior written consent of RBC, such subordinated indebtedness shall not be paid and such capital shall not be withdrawn in whole or in part nor shall any Guarantor accept or cause or permit any person controlled or owned in whole or in part by a Guarantor to accept any payment of or on account of any such subordinated indebtedness or as a withdrawal of capital at any time after a default exists under the Indebtedness. Any payment received by any Guarantor in violation of this Guaranty shall be received by the person to whom paid in trust for RBC, and such Guarantor shall cause the same to be paid to RBC immediately on account of the Indebtedness. No such payment shall reduce or affect in any manner the liability of the Guarantors under this Guaranty.

10. The amount of each Guarantor's liability and all rights, powers and remedies of RBC hereunder shall be cumulative and not alternative and such rights, powers and remedies shall be in addition to all rights, powers and remedies given to RBC under the Agreement, any document or agreement relating in any way to the terms and provisions thereof or otherwise by law. With respect to each Guarantor, this Guaranty is in addition to and exclusive of the guaranty of any other Guarantor executing this Guaranty or any other person or entity which guarantees the Indebtedness and/or the other obligations guaranteed hereby.

11. The liability of each Guarantor under this Guaranty shall be an absolute, direct, immediate and unconditional guarantee of payment and not of collectability. The obligations of each Guarantor hereunder are independent of the obligations of the Managing Member or any other party which may be initially or otherwise responsible for performance or payment of the obligations hereunder guaranteed and each other Guarantor, and, in the event of any default hereunder, a separate action or actions may be brought and prosecuted against any one or more Guarantor, whether or not the Managing Member is joined therein or a separate action or actions are brought against the Managing Member. RBC may maintain successive actions for other defaults. RBC's rights hereunder shall not be exhausted by its exercise of any of its rights or remedies or by any such action or by any number of successive actions until and unless the Indebtedness has been paid in full.

12. RBC, in its sole discretion, may at any time enter into agreements with the Managing Member or with any other person to amend, modify or change the Agreement or any document or agreement relating in any way to the terms and provisions thereof, or may at any time waive or release any provision or provisions thereof and, with reference thereto, may make and enter into all such agreements as RBC may deem proper or desirable, without any notice or further assent from any Guarantor and without in any manner impairing or affecting this Guaranty or any of the rights of RBC or any Guarantor's obligations hereunder.

13. After an occurrence of an event of default under the Guaranty or the Agreement, the Guarantors hereby agree to pay to RBC, upon demand, reasonable attorneys' fees and all other costs and other expenses which RBC expends or incurs in collecting or compromising the Indebtedness or in enforcing this Guaranty against any Guarantor whether or not suit is filed, including, without limitation, all costs, attorneys' fees and expenses incurred by RBC in connection with any insolvency, bankruptcy, reorganization, arrangement or other similar proceedings involving a Guarantor which in any way affect the exercise by RBC of its rights and remedies hereunder. Any

and all such costs, attorneys' fees and expenses not so paid shall bear interest at an annual interest rate equal to the lesser of (i) 18%, or (ii) the highest rate permitted by applicable law, from the date incurred by RBC until paid by the Guarantors.

14. Should any one or more provisions of this Guaranty be determined to be illegal or unenforceable, all other provisions nevertheless shall be effective.

15. No provision of this Guaranty or right of RBC hereunder can be waived nor can any Guarantor be released from such Guarantor's obligations hereunder except by a writing duly executed by RBC. This Guaranty may not be modified, amended, revised, revoked, terminated, changed or varied in any way whatsoever except by the express terms of a writing duly executed by RBC and the Guarantors.

16. When the context and construction so require, all words used in the singular herein shall be deemed to have been used in the plural, and the masculine shall include the feminine and neuter and vice versa. The word "person" as used herein shall include any individual, company, firm, association, partnership, corporation, trust or other legal entity of any kind whatsoever.

17. The Guarantor acknowledges that it is contemplated that RBC will assign all or a portion of its interest to a Fund (as defined in the Agreement). If and when any or all of the Indebtedness is assigned by RBC, this Guaranty shall automatically be assigned therewith in whole or in part, as applicable, without the need of any express assignment and when so assigned, each Guarantor shall be bound as set forth herein to the assignee(s) without any further action or consent required of the Guarantor or in any manner affecting any Guarantor's liability hereunder for any part of the Indebtedness retained by such RBC.

18. Each Guarantor is jointly and severally liable with each other Guarantor.

19. This Guaranty shall inure to the benefit of and bind the heirs, legal representatives, administrators, executors, successors and assigns of RBC and each Guarantor.

20. This Guaranty shall be governed by and construed in accordance with the laws of the State of New Jersey without regard to principles of conflicts of law, except to the extent that any of such laws may now or hereafter be preempted by Federal law, in which case, such Federal law shall so govern and be controlling. In any action brought under or arising out of this Guaranty, each Guarantor hereby consents to the jurisdiction of any competent court within the State of New Jersey and consents to service of process by any means authorized by the laws of such state. Except as provided in any other written agreement now or at any time hereafter in force between RBC and any Guarantor, this Guaranty shall constitute the entire agreement of each Guarantor with RBC with respect to the subject matter hereof, and no representation, understanding, promise or condition concerning the subject matter hereof shall be binding upon RBC or any Guarantor unless expressed herein.

21. Guarantor hereby waives any duty on the part of RBC to disclose to Guarantor any facts RBC may now or hereafter know about the Company or the Managing Member, regardless of whether RBC has reason to believe that any such facts materially increase the risk beyond that which Guarantor intend to assume or that such facts are unknown to Guarantor. As between RBC and Guarantor, Guarantor is responsible for being and keeping informed of the financial condition of the Company and the Managing Member and of all circumstances bearing on the risk of non-performance of the Indebtedness.

22. All notices, demands, requests or other communications to be sent by one party to the other hereunder or required by law shall be in writing and shall be deemed to have been validly given or served by delivery of same in person to the addressee or by depositing same with Federal Express for next Business Day delivery or by depositing same in the United States mail, postage prepaid, registered or certified mail, return receipt requested, addressed as follows:

RBC: RBC Tax Credit Equity, LLC
600 E. Superior Avenue, Suite 2300
Cleveland, Ohio 44114
Attn: President and General Counsel

Guarantor: c/o Capital Realty Group, Inc.
86 Rt. 59 E.
Spring Valley, NY 10977
Attention: Moshe Eichler, President

With a copy to:

Berman Indicator LLP
30 N. 41st Street, Suite 450
Philadelphia, Pennsylvania 19104
Attention: Steven Berman

All notices, demands and requests shall be effective upon such personal delivery or upon being deposited with Federal Express (or comparable overnight courier) or in the United States mail as required above. However, with respect to notices, demands or requests so deposited with Federal Express or in the United States mail, the time period in which a response to any such notice, demand or request must be given shall commence to run from the next Business Day following any such deposit with Federal Express or, in the case of a deposit in the United States mail as provided above, the date on the return receipt of the notice, demand or request reflecting the date of delivery or rejection of the same by the addressee thereof. Rejection or other refusal to accept or the inability to deliver because of changed address of which no notice was given shall be deemed to be receipt of the notice, demand or request sent. By giving to the other party hereto at least 30 days' written notice thereof in accordance with the provisions hereof, the parties hereto shall have the right from time to time to change their respective addresses and each shall have the right to specify as its address any other address within the United States of America.

23. Each Guarantor hereby agrees that this Guaranty, the Indebtedness and all other obligations guaranteed hereby, shall remain in full force and effect at all times hereinafter until paid and/or performed in full notwithstanding any action or undertakings by, or against, RBC, any Guarantor, and/or any member of RBC in any proceeding in the United States Bankruptcy Court, including, without limitation, any proceeding relating to valuation of collateral, election or imposition of secured or unsecured claim status upon claims by RBC pursuant to any Chapter of the Bankruptcy Code or the Rules of Bankruptcy Procedure as same may be applicable from time to time.

24. Any married person who signs this Guaranty hereby agrees that recourse may be had against his or her separate property for all of his or her obligations.

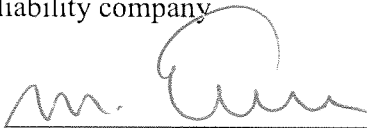
25. This Guaranty may be executed in any number of counterparts, each of which shall be effective only upon delivery and thereafter shall be deemed an original, and all of which shall be taken to be one and the same instrument, with the same effect as if all parties hereto had signed the same signature page. Any signature page of this Guaranty may be detached from any counterpart of this Guaranty without impairing the legal effect of any signatures thereon and may be attached to another counterpart of this Guaranty identical in form hereto but having attached to it one or more additional signature pages. Execution by any Guarantor shall bind such Guarantor regardless of whether any one or more other Guarantors execute this Guaranty.

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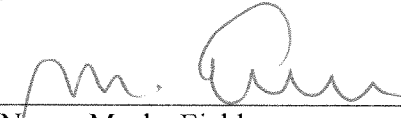
IN WITNESS WHEREOF, the undersigned Guarantors have executed this Affiliate Guaranty as of the day and year first above written.


GUARANTORS:


Prospect Park Apartments CRG, LLC, a New Jersey limited liability company

By: 
Name: Moshe Eichler
Title: Managing Member

CRG Developers LLC, a New York limited liability company

By: 
Name: Moshe Eichler
Title: Manager


Moshe Eichler, an individual


Sam Horewitz, an individual

**EXHIBIT H
TO OPERATING AGREEMENT**

INCENTIVE MANAGEMENT FEE AGREEMENT

THIS INCENTIVE MANAGEMENT FEE AGREEMENT (the “Incentive Management Fee Agreement”) made as of September 1, 2015, by and between Prospect Park Urban Renewal, LLC, a New Jersey limited liability company (the “Company”) and Prospect Park Apartments CRG, LLC, a New Jersey limited liability company, as the Managing Member (the “Managing Member”).

Recitals

WHEREAS, Managing Member and RBC Tax Credit Equity, LLC, an Illinois limited liability company (the “Investor Member”), as the Investor Member, have formed and continued the Company; and

WHEREAS, the Company has been formed to develop, construct, own, maintain and operate a 130-unit multifamily apartment complex intended for rental to low income seniors age 62 and older, to be known as Prospect Park Apartments, and to be located in East Orange, Essex County, New Jersey (the “Project”); and

WHEREAS, the Company is governed by its Amended and Restated Operating Agreement of even date herewith (the “Agreement”); and

WHEREAS, the Company desires that the Managing Member provide certain management services with respect to the business of the Company for the period commencing as of the date hereof and continuing throughout the term of the Company.

NOW, THEREFORE, in consideration of the recitals, covenants and conditions set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which hereby are acknowledged, the parties agree as follows:

1. **Appointment.** The Company hereby appoints the Managing Member to render services in managing and administering the Company during the term of the Company and for as long as the Managing Member is the Managing Member of the Company as herein contemplated. The appointment of the Managing Member hereunder shall terminate on the earlier of (i) the date the Managing Member withdraws as the Managing Member of the Company, including, without limitation, the removal of the Managing Member pursuant to Article VI of the Agreement, or (ii) the expiration of the term of the Company.

2. **Authority.** In conformity with the provisions of the Agreement, throughout the term of the Company, the Managing Member shall have the authority and the obligation, which authority and obligation may, subject to the provisions of the Agreement, be exercised by the Managing Member to:

(i) administer, manage and direct the business of the Company, and take such further action as it may deem necessary or desirable to further the interest of the Company in accordance with the provisions of the Agreement;

(ii) monitor the day-to-day operations of the Project and make recommendations with respect thereto;

(iii) investigate and make recommendations with respect to the selection and conduct of relations with consultants and technical advisors (including, without limitation, accountants and other similar advisors, attorneys, corporate fiduciaries, escrow agents, depositories, custodians, agents for collection, insurers, insurance agents and banks) and persons acting in any other capacity in connection with the Company;

(iv) maintain appropriate books and records of the Company in accordance with sound federal income tax accounting principles and in conformity with the requirements of the Project Lenders, including information relating to the sale by the Managing Member or any Affiliate of goods or services to the Company;

(v) be responsible for the safekeeping and use of all funds and assets of the Company, including the maintenance of bank accounts in accordance with Section 13.02 of the Agreement;

(vi) provide reports to Members required pursuant to Sections 13.03 and 13.04 of the Agreement;

(vii) furnish or cause to be furnished to the Members copies of any and all financial reports that may be requested by any party(ies) to any of the Project Documents or any governmental agencies having jurisdiction, including copies of any financial statements required by the Project Lenders;

(viii) furnish or cause to be furnished to the Members and/or any party(ies) to any of the Project Documents all such information as they may reasonably request from time to time with respect to the financial and administrative conditions of the Project and the Company; and

(ix) provide office space, support staff and administrative services as required by the Company.

3. Fees. For services to be performed under this Incentive Management Fee Agreement, the Company shall pay as a non-cumulative Incentive Management Fee to the Managing Member, solely from the Net Cash Flow of the Company, 90% of such Net Cash Flow as is specifically designated for payment of the Incentive Management Fee under Section 11.03(b) of the Agreement.

4. Withholding of Fee Payments. In the event that (i) the Managing Member or any successor Managing Member shall not have substantially complied with any material provisions under this Incentive Management Fee Agreement and the Agreement, or (ii) the Managing Member shall have withdrawn or been removed pursuant to Article VI of the Agreement, then such

Managing Member shall be in default of this Incentive Management Fee Agreement and the Company shall withhold payment of all or any installment of fees payable to such Managing Member pursuant to Section 3 of this Incentive Management Fee Agreement and Section 8.13 of the Agreement.

All amounts so withheld by the Company under this Section 4 shall be promptly released to the Managing Member, only after the Managing Member has cured the default justifying the withholding, unless the Managing Member shall have been removed pursuant to the Agreement, in which event this Incentive Management Fee Agreement shall terminate as to the Managing Member in accordance with Section 5 below and all further obligations of the Company hereunder shall cease as of the date of such removal of the Managing Member (unless a Successor Managing Member has assumed the Managing Member's Obligations in accordance with Section 5). Notwithstanding the foregoing, the Company shall pay the Managing Member any Incentive Management Fee it earned prior to the date of its termination, removal or withdrawal from the Company; however, the Company may offset any monies or obligations owed to the Managing Member under this Incentive Management Fee Agreement by any monies owed by the Managing Member to the Company under the Agreement.

5. Successors and Assigns; Termination. This Agreement shall be binding on the parties hereto, their heirs, successors and assigns. If the Company Interests of a Managing Member, as Managing Member, are transferred pursuant to Section 6.02 of the Agreement to another party (the "Successor Managing Member"), further payment of the Incentive Management Fee from the Company to such Successor Managing Member pursuant to Section 3 above shall be governed by such Section 8.13 of the Agreement, provided that such Successor Managing Member has assumed the obligations of the Managing Member hereunder pursuant to an assumption agreement in form acceptable to the Investor Member. The parties hereto may terminate this Incentive Management Fee Agreement upon mutual consent to do so, except mutual consent shall not be required where the Managing Member has withdrawn or been removed from the Company pursuant to Article VI of the Agreement.

6. Defined Terms. Capitalized terms used in this Incentive Management Fee Agreement and not specifically defined herein shall have the same meanings assigned to them as in the Agreement.

7. Separability of Provisions. Each provision of this Incentive Management Fee Agreement shall be considered separable and if for any reason any provision which is not essential to the effectuation of the basic purposes of this Incentive Management Fee Agreement is determined to be invalid and contrary to any existing or future law, such invalidity shall not impair the operation of or affect those provisions of this Incentive Management Fee Agreement which are valid.

8. Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed to be an original copy and all of which together shall constitute one agreement binding on all parties hereto, notwithstanding that all the parties shall not have signed the same counterpart.

9. No Continuing Waiver. The waiver of any party of any breach of this Incentive Management Fee Agreement shall not operate or be construed to be a waiver of any subsequent breach.

10. Applicable Law. This Agreement shall be construed and enforced in accordance with the laws of the State of New Jersey.

11. Third Party Beneficiary. The Investor Member is a third-party beneficiary of this Incentive Management Fee Agreement, and the Company and the Managing Member hereby expressly agree that any amendment to this Incentive Management Fee Agreement shall not be effective unless and until same is consented to by the Investor Member.

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IN WITNESS WHEREOF, the parties have caused this Incentive Management Fee Agreement to be duly executed as of the date as first written above.

COMPANY:

Prospect Park Urban Renewal, LLC,
a New Jersey limited liability company

By: Prospect Park Apartments CRG, LLC,
its managing member

By: 

Name: Moshe Eichler
Title: Managing Member

MANAGING MEMBER:

Prospect Park Apartments CRG, LLC,
a New Jersey limited liability company

By: 

Name: Moshe Eichler
Title: Managing Member

**EXHIBIT I
TO OPERATING AGREEMENT**

**PURCHASE OPTION
AGREEMENT**

This Purchase Option Agreement (“Purchase Agreement”), is made as of the 1st day of September, 2015, by and between Prospect Park Apartments Urban Renewal, LLC, a New Jersey limited liability company (the “Company”), Prospect Park Apartments CRG, LLC, a New Jersey limited liability company (“Grantee”), and is consented to hereinbelow by RBC Tax Credit Equity, LLC, an Illinois limited liability company (the “Consenting Investor Member”).

Whereas, the Grantee and one or more other parties, concurrently with the execution and delivery of this Purchase Agreement, are entering into that certain Amended and Restated Operating Agreement dated as of the date hereof (the “Agreement”) continuing the Company by amending and restating a prior operating agreement; and

Whereas, the Grantee is the managing member of the Company (and is referred to herein in such capacity as the “Managing Member”); and

Whereas, the Project is or will be subject to one or more governmental agency regulatory agreements (collectively, the “Regulatory Agreement”) restricting its use to low-income housing and may become subject to a low-income use restriction (the “Special Covenant”) pursuant to the terms and conditions of this Purchase Agreement (such use restrictions under the Regulatory Agreement and any Special Covenant being referred to collectively herein as the “Use Restrictions”); and

Whereas, Grantee desires to provide for the continuation of the Project as low-income housing upon termination of the Company by Grantee purchasing the Project at the applicable price determined under this Purchase Agreement and operating the Project in accordance with the Use Restrictions; and

Whereas, as a condition precedent to the formation or continuation of the Company pursuant to the Agreement, Grantee has negotiated and required that the Company shall execute and deliver this Purchase Agreement in order to provide for such low-income housing, and the Consenting Investor Member has consented to this Purchase Agreement in order to induce the Managing Member to execute and deliver the Purchase Agreement and to induce Grantee to guarantee the Managing Member’s obligations thereunder;

Now, therefore, in consideration of the execution and delivery of the Agreement and the payment by the Grantee to the Company of \$10.00 and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

1. **Grant of Option.** The Company hereby grants to Grantee an option (the “Option”) to purchase the real estate, fixtures, and personal property comprising the Project or associated with the physical operation thereof, owned by the Company at the time of purchase (the “Property”), after the close of the fifteen (15) year compliance period for the low-income housing tax credit for the Project (the “Compliance Period”) as determined under Section

42(i)(1) of the Internal Revenue Code of 1986, as amended (the "Code"), on the terms and conditions set forth in this Purchase Agreement and subject to the conditions precedent to exercise of the Option specified herein. The Project real estate is legally described in Exhibit A attached hereto and made a part hereof. The Regulatory Agreement containing the Use Restrictions to which the Project real estate will remain subject under Section 7 hereof is described in Exhibit B attached hereto and made a part hereof.

2. **Purchase Price Under Option.** The purchase price for the Property pursuant to the Option shall be the greater of the following amounts, subject to the proviso set forth hereinbelow:

a. **Debt and Taxes.** An amount sufficient (i) to pay all debts (including partner loans) and liabilities of the Company upon its termination and liquidation as projected to occur immediately following the sale pursuant to the Option, and (ii) to distribute to the Members, after payments under Section 11.04(a) through I of the Agreement, cash proceeds equal to the taxes projected to be imposed on the Members of the Company as a result of the sale pursuant to the Option, all as more fully stated in Section 11.04 of the Agreement, which is hereby incorporated herein by reference; or

b. **Fair Market Value.** The fair market value of the Property, appraised as low-income housing to the extent continuation of such use is required under the Use Restrictions, any such appraisal to be made by a licensed appraiser, selected by the Company's regular certified public accountants, who is a member of the Master Appraiser Institute and who has experience in the geographic area in which the Project is located.

3. **Conditions Precedent.** Notwithstanding anything in this Purchase Agreement to the contrary, the Option granted hereunder shall be contingent on the following:

a. **Managing Member.** The Managing Member shall have remained in good standing as Managing Member of the Company without the occurrence of any event of default under the Agreement; and

b. **Regulatory Agreement.** Either (i) the Regulatory Agreement shall have been entered into and remained in full force and effect, and those Use Restrictions to be contained therein, as heretofore approved in writing by the Consenting Investor Member, shall have remained unmodified without its prior written consent, or (ii) if the Regulatory Agreement is no longer in effect due to reasons other than a default thereunder by the Company, such Use Restrictions, as so approved and unmodified, shall have remained in effect by other means and shall continue in effect by inclusion in the deed as required under Paragraph 8 hereof.

If any or all of such conditions precedent have not been met, the Option shall not be exercisable. Upon any of the events terminating the Managing Member as Managing Member of the Company under the Agreement or affecting the Regulatory Agreement as described in this Section 3, the Option shall be void and of no further force and effect.

4. **Exercise of Option.** The Option may be exercised by Grantee by (a) giving prior written notice of its intent to exercise the Option to the Company and each of its partners in the manner provided in the Agreement and in compliance with the requirements of this Section 4, and

(b) complying with the contract and closing requirements of Section 6 hereof. Any such notice of intent to exercise the Option shall be given during the last twelve (12) months of the Compliance Period. The notice of intent shall specify a closing date within 180 days of the date of exercise. If the foregoing requirements (including those of Section 7 hereof) are not met as and when provided herein, the Option shall expire and be of no further force or effect. Upon notice by Grantee of its intent to exercise the Option, all rights under the other shall be subordinate to the rights then being so exercised unless and until such exercise is withdrawn or discontinued, and upon the closing of any sale of the Property pursuant to such notice shall expire and be of no further force or effect, provided that in the event that the Option is hereafter held by different parties by reason of any permitted assignment or otherwise, Grantee in its assignment(s) or such parties by written agreement may specify any other order of priority consistent with the other terms and conditions of this Purchase Agreement.

5. **Determination of Price.** Upon notice by Grantee of its intent to exercise the Option, the Company and Grantee shall exercise best efforts in good faith to agree on the purchase price for the Property. Any such agreement shall be subject to the prior written consent of the Consenting Investor Member, which shall not be withheld as to any purchase price determined properly in accordance with this Purchase Agreement.

6. **Contract and Closing.** Upon determination of the purchase price, the Company and Grantee shall enter into a written contract for the purchase and sale of the Property in accordance with this Purchase Agreement and containing such other terms and conditions as are standard and customary for similar commercial transactions in the geographic area which the Project is located, providing for a closing not later than the date specified in Grantee's notice of intent to exercise of the Option, or 30 days after the purchase price has been determined, whichever is later. In the absence of any such contract, this Purchase Agreement shall be specifically enforceable upon the exercise of the Option. The purchase and sale hereunder shall be closed through a deed-and-money escrow with the title insurer for the Project or another mutually acceptable title company.

7. **Use Restrictions.** In consideration of the Option granted hereunder at the price specified herein, Grantee hereby agrees that the deed of the Project to Grantee shall contain a covenant running with the land, restricting use of the Project to low-income housing to the extent required by those Use Restrictions contained in the Regulatory Agreement, as approved in writing by the Consenting Investor Member and unmodified without its prior written consent.

In the event that the Option is not exercised, or the sale pursuant thereto is not consummated, then upon conveyance of the Project to anyone other than Grantee or its permitted assignee hereunder, the foregoing provisions shall terminate and have no further force or effect.

8. **Assignment.** Grantee may assign all or any of its rights under this Purchase Agreement subject to the prior written consent of the Consenting Investor Member, which shall not be unreasonably withheld if the proposed grantee demonstrates that it is reputable and creditworthy and is a capable, experienced owner and operator of residential rental property, and subject in any event to the conditions precedent to the Option price set forth in Section 2 hereof. Prior to any assignment or proposed assignment of its rights hereunder, Grantee shall give written notice thereof to the Company, the Managing Member Partner, and the Consenting Investor Member. Upon any permitted assignment hereunder, references in this Purchase Agreement to Grantee shall mean the permitted Assignee where the context so requires, subject to all applicable conditions to the effectiveness of the rights granted under this Purchase Agreement and so assigned. No assignment of Grantee's rights hereunder shall be effective unless and until the permitted Assignee enters into a

written agreement accepting the assignment and assuming all of Grantee's obligations under this Purchase Agreement and copies of such written agreement are delivered to the Company, the Managing Member, and the Consenting Investor Member. Except as specifically permitted herein, Grantee's rights hereunder shall not be assignable.

9. Alternative Purchase of Company Interest. Notwithstanding anything to the contrary contained herein, Grantee shall have the right during the Option Period, in lieu of a direct acquisition of the Project pursuant to the Option as set forth in Section 1 above, to acquire the Interests (but not less than all of such interests) of the Consenting Investor Member and the Special Investor Member in the Company for a purchase price to each of them be equal to the amount that would be distributed to the Investor Member pursuant to Section 11.04(a) through I of the Agreement after the sale of the Property for fair market value as determined in accordance with the procedures described in Section 2 above (the "Interests Option"). The Interests Option shall be subject to the same terms and conditions precedents as the Option, including, without limitation, the conditions precedent set forth in Section 3.

10. Miscellaneous. This Purchase Agreement shall be governed by the laws of the State of New Jersey. This Purchase Agreement may be executed in counterparts or counterpart signature pages, which together shall constitute a single agreement.

(continued on next page)

In Witness Whereof, the parties have executed this document as of the date first set forth hereinabove.

Company:

Prospect Park Apartments Urban Renewal, LLC, a New Jersey limited liability company

By: Prospect Park Apartments CRG, LLC,
its managing member

By: 

Name: Moshe Eichler
Title: Managing Member

Grantee:

Prospect Park Apartments CRG, LLC, a New Jersey limited liability company

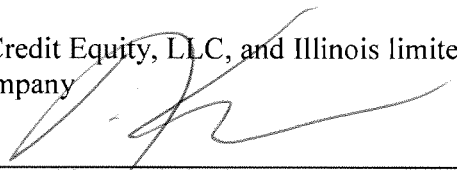
By: 

Name: Moshe Eichler
Title: Managing Member

The undersigned hereby consents to the foregoing Agreement as of the date first set forth hereinabove.

Consenting Investor Member:

RBC Tax Credit Equity, LLC, and Illinois limited liability company

By:  _____

Name: Kenneth L. Lohiser

Title: Director

**EXHIBIT J
TO OPERATING AGREEMENT**

POST-CLOSING AGREEMENT (attached)

September 10, 2015

Prospect Park Apartments CRG, LLC
c/o Capital Realty Group
Spring Valley, NY 10977
Attention: Moshe Eichler

Re: Propsect Park Urban Renewal, LLC (the "Company")
Post-Closing Letter Agreement

To Whom It May Concern:

As a condition to the closing of the Amended and Restated Operating Agreement of the Company dated as of September 1, 2015 (the "Operating Agreement") with RBC Tax Credit Equity, LLC, an Illinois limited liability company and RBC Tax Credit Manager II, Inc. (collectively, "RBC") and the anticipated funding and disbursement by RBC of the proceeds of its Capital Contributions as provided in the Operating Agreement, the parties have agreed to sign this Post-Closing Letter Agreement. This letter details certain due diligence and other items which were to have been delivered by the Company to RBC prior to the date hereof, but which will now be delivered at a later date. All defined terms used herein shall have the meaning set forth in the Operating Agreement.

RBC has agreed to the later delivery of these items as an accommodation to the Company and to the other parties to the transaction in order to expedite the closing. The delivery of the listed items is a condition precedent to the funding by RBC of amounts under its Second Capital Contribution pursuant to the Company Agreement. The Company agrees to deliver the due diligence indicated below (in form and substance satisfactory to RBC) no later than thirty (30) days from the date hereof, unless otherwise noted:

1. Fully issued Owner's Title Policy
2. Fire alarm drawings and specifications (to be provided within six (6) months of the Initial Closing)
3. Recorded copies of all loan documents

The Company understands that the execution by it of this Post-Closing Letter Agreement is a material inducement for the execution by RBC of the Operating Agreement and Exhibits thereto and the making of the First Capital Contribution. Except as expressly provided herein, the terms and conditions set forth in the Operating Agreement and the Guaranty Agreement remain in full force and effect.

[SIGNATURES ON NEXT PAGE]

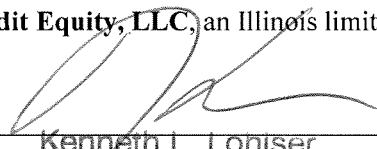
This letter agreement may be signed in counterparts, all of which when taken together shall constitute one and the same instrument. A telecopied, signed counterpart of this letter shall constitute an original.

Very truly yours,

RBC Tax Credit Equity, LLC, an Illinois limited liability company

By:

Name:
Title:



Kenneth L. Loniser
Director

Accepted and Agreed to as of the date set forth above.

**Prospect Park Apartments Urban
Renewal, LLC**, a new Jersey limited
liability company

By: Prospect Park Apartments CRG,
LLC, its managing member

By: _____

Name: Moshe Eichler

Title: Managing Member

This letter agreement may be signed in counterparts, all of which when taken together shall constitute one and the same instrument. A telecopied, signed counterpart of this letter shall constitute an original.

Very truly yours,

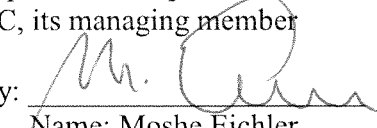
RBC Tax Credit Equity, LLC, an Illinois limited liability company

By: _____
Name:
Title:

Accepted and Agreed to as of the date set forth above.

**Prospect Park Apartments Urban
Renewal, LLC**, a new Jersey limited liability company

By: Prospect Park Apartments CRG,
LLC, its managing member

By: 
Name: Moshe Eichler
Title: Managing Member

**EXHIBIT K
TO OPERATING AGREEMENT**

CAPITAL CONTRIBUTIONS

I. First Capital Contribution

The First Contribution in the amount of \$2,336,928 shall be paid on the date this Agreement is executed, and the Investor Member shall have received documentation to satisfy its due diligence requirements.

Unless the full amount is required to be kept in an escrow account by the Construction Loan lender, funding conditions for Interim Construction Contributions include the following draw request documentation:

1. A written request, not more frequently than monthly, for an advance from the Managing Member in form satisfactory to the Investor Member
2. General Contractor's sworn statements and unconditional waivers of lien, and all subcontractors', material suppliers' and laborers' conditional waivers of lien, covering all work, to a reasonably current date, together with such invoices, contracts or other supporting data as may be required to evidence that all costs for which disbursement is sought to have been incurred;
3. Paid invoices or other evidence satisfactory to the Investor Member that fixtures and equipment have been paid for and are free of any lien or security interest therein;
4. A statement of sources and uses dated as of the date of the draw request;
5. Copies of any change orders, whether proposed or executed, which have not been previously furnished to the Investor Member;
6. Copies of all construction contracts (including subcontracts) which have been executed since the last disbursement, together with any bonds obtained or required to be obtained with respect thereto;
7. Such other instruments, documents and information as the Investor Member or the title insurer may reasonably request;
8. Architect's Certificate for Payment Form AIA G702 and AIA G703; and
9. Such additional documentation as the Investor Member may reasonably require.
10. Managing Member Certificate in the form attached hereto as Exhibit D.
11. Satisfaction of all unsatisfied conditions to all prior Interim Construction Contributions

The total amount advanced shall not at any time exceed an amount equal to (a) the percentage of completion evidenced by the inspections of the Improvements by the Architect, times (b) the estimated total construction costs submitted by Company and General Contractor hereunder and approved by the Investor Member

II. Second Capital Contribution

The Second Capital Contribution in the amount of \$934,760 shall be paid on the later of April 1, 2016, or 10 Business Days after the occurrence and satisfaction of the following conditions precedent, as determined by the Investor Member.

<u>Required Delivery</u>	
1.	Evidence that Percent Completion equals or exceeds 50%
2.	AIA Form G702 and G703 accompanied by a cost breakdown of sources and uses, the accuracy of which shall be certified by Company
3.	The Construction Inspector shall inspect the Improvements to verify that the request for the Capital Contribution accurately reflects the amount of construction completed to date
4.	The Investor Member and the Title Company have received lien waivers or affidavits required by the Title Company to insure that all bills then due and payable for labor and materials used in constructing the Project and all bills due and payable to contractors, subcontractors, laborers, and materialmen have been paid in full, except those bills to be paid with the proceeds of such disbursement
5.	The Investor Member has received a title bringdown search indicating that since the last disbursement of a Capital Contribution there has been no change in the state of title and no survey exceptions not theretofore approved by the Investor Member
6.	Evidence, in form and substance acceptable to the Investor Member, that HOD Prospect MM LLC has made the election permitted under Section 168(h)(6)(F) of the Code.
7.	Evidence satisfactory to the Investor Member that the State Tax Credit Loan has been funded to the extent required under the Transfer Agreement
8.	Managing Member Certificate in the form attached hereto as <u>Exhibit D.</u>
9.	Satisfaction of all unsatisfied conditions to all prior Capital Contributions
10.	Review and approval of all documents and/or satisfaction of the conditions precedent as set forth in the post-closing due diligence checklist attached to the Agreement as <u>Exhibit J</u>

11. Such additional documentation as the Investor
Member may reasonably require

III. Third Capital Contribution

The Third Capital Contribution in the amount of \$934,760 shall be paid on the later of June 1, 2016, or 10 Business Days after the occurrence and satisfaction of the following conditions precedent, as determined by the Investor Member.

<u>Required Delivery</u>	
1.	Evidence that Percent Completion exceeds 75%
2.	AIA Form G702 and G703 accompanied by a cost breakdown of sources and uses, the accuracy of which shall be certified by Company
3.	The Construction Inspector shall inspect the Improvements to verify that the request for the Capital Contribution accurately reflects the amount of construction completed to date
4.	The Investor Member and the Title Company have received lien waivers or affidavits required by the Title Company to insure that all bills then due and payable for labor and materials used in constructing the Project and all bills due and payable to contractors, subcontractors, laborers, and materialmen have been paid in full, except those bills to be paid with the proceeds of such disbursement
5.	The Investor Member has received a title bringdown search indicating that since the last disbursement of a Capital Contribution there has been no change in the state of title and no survey exceptions not theretofore approved by the Investor Member
6.	Managing Member Certificate in the form attached hereto as Exhibit D.
7.	Satisfaction of all unsatisfied conditions to all prior Capital Contributions
8.	Evidence satisfactory to the Investor Member that the State Tax Credit Loan has been funded to the extent required under the Transfer Agreement
9.	Review and approval of all documents and/or satisfaction of the conditions precedent as set forth in the post-closing due diligence checklist attached to the Agreement as Exhibit J
10.	Such additional documentation as the Investor Member may reasonably require

IV. Fourth Capital Contribution

The Fourth Capital Contribution in the amount of \$934,760 shall be paid on the later of August 1, 2016, or 10 Business Days after the occurrence and satisfaction of the following conditions precedent, as determined by the Investor Member.

<u>Required Delivery</u>	
1.	Evidence that Percent Completion exceeds 90%
2.	AIA Form G702 and G703 accompanied by a cost breakdown of sources and uses, the accuracy of which shall be certified by Company
3.	The Construction Inspector shall inspect the Improvements to verify that the request for the Capital Contribution accurately reflects the amount of construction completed to date
4.	The Investor Member and the Title Company have received lien waivers or affidavits required by the Title Company to insure that all bills then due and payable for labor and materials used in constructing the Project and all bills due and payable to contractors, subcontractors, laborers, and materialmen have been paid in full, except those bills to be paid with the proceeds of such disbursement
5.	The Investor Member has received a title bringdown search indicating that since the last disbursement of a Capital Contribution there has been no change in the state of title and no survey exceptions not theretofore approved by the Investor Member
6.	Evidence satisfactory to the Investor Member that the State Tax Credit Loan has been funded to the extent required under the Transfer Agreement
7.	Managing Member Certificate in the form attached hereto as Exhibit D.
8.	Satisfaction of all unsatisfied conditions to all prior Capital Contributions
9.	Review and approval of all documents and/or satisfaction of the conditions precedent as set forth in the post-closing due diligence checklist attached to the Agreement as Exhibit J
10.	Such additional documentation as the Investor Member may reasonably require

V. Fifth Capital Contribution

The Fifth Capital Contribution in the amount of \$2,336,872 shall be paid on the later of September 1, 2016, or 10 Business Days after the occurrence and satisfaction of the following conditions precedent, as determined by the Investor Member.

<u>Required Delivery</u>	
1.	Evidence of Substantial Completion as noted below:
	(i) AIA G704 issued by the Architect and executed by all appropriate parties
	(ii) satisfaction or waiver of the physical inspection of the Project by the Special Investor Member
	(iii) final, unconditional certificates of occupancy for 100% of the units
	(iv) delivery and installation of all necessary and appropriate fixtures, equipment and personal property
2.	Receipt of Final Construction Documents as noted below:
	(i) updated and recertified as-built ALTA/ACSM standards survey
	(ii) any permits and license for the operation of the Project
	(iii) final sworn statement or affidavit of final construction cost
	(iv) copies of any change orders not previously delivered to the Investor Member
	(v) list of all warranties and maintenance agreements
	(vi) required insurance certificates
	(vii) evidence of completion of required remediation
	(viii) satisfactory radon test results and/or mitigation
	(ix) HUD REAC deficiencies remedied
	(x) Lead based paint O&M Plan in
	(xi) Environmental remediation close out report for the 20,000 gallon underground storage tank
	(xii) Transferred warranties for the three existing boilers located at the Project
	(xiii) Sanitary sewer scoping report
3.	Payment to Contractor (subject to holdback for punch list items) as evidenced by the Architect's Certificate for Payment Form AIA G702 and AIA G703
4.	Final lien waivers
5.	A title bringdown search showing no new liens
6.	The Investor Member shall have received a draft cost

	certification for the Project prepared by the Accountant and certified to by the Managing Member
7.	Receipt of the initial Transfer Certificate and Annual Letter of Compliance for the State Tax Credits.
8.	Receipt of fully executed copies of the Transfer Agreement and State Tax Credit Indemnity Agreement
9.	Executed documents evidencing the State Tax Credit Loan the form of which have been approved by the Investor Member
10.	Funding of Reserve Fund for Replacements
11.	Executed and Recorded Extended Use Agreement
12.	Evidence satisfactory to the Investor Member that the State Tax Credit Loan has been funded to the extent required under the Transfer Agreement
12.	Managing Member Certificate in the form attached hereto as Exhibit D.
13.	Satisfaction of all unsatisfied conditions to all prior Capital Contributions
14.	Review and approval of all documents and/or satisfaction of the conditions precedent as set forth in the post-closing due diligence checklist attached to the Agreement as Exhibit J
15.	Such additional documentation as the Investor Member may reasonably require

VI. Sixth Capital Contribution

The Sixth Capital Contribution in the amount of \$1,402,140 shall be paid on the later of November 1, 2016, or 10 Business Days after the occurrence and satisfaction of the following conditions precedent, as determined by the Investor Member.

<u>Required Delivery</u>	
1.	Achievement of Final Closing
2.	100% Qualified Occupancy evidenced by submission to the Investor Member of certified rent rolls and tenant income certification documents
3.	Achievement of 90 days of 90% physical occupancy
4.	Receipt of an audited cost certification for the Project prepared by the Accountants
5.	Evidence of completion of punch-list items and release to contractor of any hold-back
6.	Receipt of copies of Permanent Loan documents
7.	Evidence that the Operating Reserve has been initially funded
8.	Pay-off of Construction Loan
9.	Debt Service Coverage Ratio of at least 1.15 to 1.0 for 90 days
10.	A title bringdown search showing no exceptions to title other than those exceptions reflected on the Title Policy as of Initial Closing and other exceptions as may be acceptable to the Investor Member
11.	Evidence satisfactory to the Investor Member that the full amount of the State Tax Credit Loan has been funded
12.	Managing Member Certificate in the form attached hereto as <u>Exhibit D.</u>
13.	Satisfaction of all unsatisfied conditions to all prior Capital Contributions
14.	Review and approval of all documents and/or satisfaction of the conditions precedent as set forth in the post-closing due diligence checklist attached to the Agreement as <u>Exhibit J</u>
15.	Such additional documentation as the Investor Member may reasonably require

VII. Seventh Capital Contribution

The Seventh Capital Contribution in the amount of \$467,380 shall be paid on the later of February 1, 2017, or 10 Business Days after the occurrence and satisfaction of the following conditions precedent, as determined by the Investor Member.

<u>Required Delivery</u>	
1.	Achievement of Stabilization Date
2.	IRS Form(s) 8609 for the entire Project
3.	Evidence that all real estate and property taxes due and payable have been paid in full or tax exemptions have been obtained.
4.	Release of the UCC Financing Statement in favor of the Managing Member and the Company securing the Investor Member's Interest
4.	Managing Member Certificate in the form attached hereto as Exhibit D ;
5.	Satisfaction of all unsatisfied conditions to all prior Capital Contribution;
6.	Review and approval of all documents and/or satisfaction of the conditions precedent as set forth in the post-closing due diligence checklist attached to the Agreement as Exhibit J ; and
7.	Such additional documentation as the Investor Member may reasonably require.



October 15, 2020

A self-supporting
public agency

Scott Farmer
Executive Director

Moshe Eichler
Capital Realty Group
86 East Route 59
Spring Valley, NY 10977

PO Box 28066
Raleigh, NC
27611-8066

RE: Sir Walter Apts

Dear Moshe,

3508 Bush Street
Raleigh, NC
27609-7509

Attached are IRS Forms 8609 and General Instructions allocating low-income housing tax credits under Section 42 of the Internal Revenue Act.

Tel. 919-877-5700
Fax. 919-877-5701
www.nchfa.com

The North Carolina Federal Tax Allocation Committee has completed and signed Part I of the form. Please read carefully the directions for completing Part II and the signature section. You must make a one-time submission of the signed form to the Low-Income Housing Credit Unit at the IRS Philadelphia campus. You must also file IRS form 8609-A and IRS form 8586 with your tax return each year during the qualified project period of these tax credits.

The North Carolina Federal Tax Reform Allocation Committee (Committee) and the North Carolina Housing Finance Agency (NCHFA) in making this allocation have relied on the information furnished by the applicant. Neither the Committee nor NCHFA assumes any liability for the validity of the information, the eligibility of the building(s) to receive tax credits, or the implementation and use of the low-income housing tax credits.

If you have any questions, please contact me at 919.877.5640.

Sincerely,

A handwritten signature in blue ink that reads "Suma Kumar Dunham" followed by "FOR" in a slightly larger, bolder font.

Suma Kumar Dunham
Senior Housing Development Analyst

Low-Income Housing Credit Allocation and Certification

OMB No. 1545-0988

▶ Go to www.irs.gov/Form8609 for instructions and the latest information.

Part I Allocation of Credit

Check if: Addition to Qualified Basis Amended Form

A Address of building (do not use P.O. box) (see instructions) 400 Fayetteville Street Raleigh NC 27601	B Name and address of housing credit agency North Carolina Federal Tax Reform Allocation Comm c/o North Carolina Housing Finance Agency 3508 Bush Street Raleigh NC 27609-7509
C Name, address, and TIN of building owner receiving allocation Sir Walter Apartments LP 86 East Route 59 Spring Valley NY 10977 TIN ▶ 82-3912445	D Employer identification number of agency 56-6000372
	E Building identification number (BIN) NC-18-00501

1a Date of allocation ▶ / / b Maximum housing credit dollar amount allowable	1b	620,073
2 Maximum applicable credit percentage allowable (see instructions) %	2	3.32 %
3a Maximum qualified basis	3a	18,676,899
b Check here ▶ <input type="checkbox"/> if the eligible basis used in the computation of line 3a was increased under the high-cost area provisions of section 42(d)(5)(B). Enter the percentage to which the eligible basis was increased (see instructions) %	3b	1 0 0 %
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-.)	4	50 %
5 Date building placed in service ▶ 12 / 31 / 2019		
6 Check the boxes that describe the allocation for the building (check those that apply):		
a <input type="checkbox"/> Newly constructed and federally subsidized b <input type="checkbox"/> Newly constructed and not federally subsidized c <input type="checkbox"/> Existing building		
d <input checked="" type="checkbox"/> Sec. 42(e) rehabilitation expenditures federally subsidized e <input type="checkbox"/> Sec. 42(e) rehabilitation expenditures not federally subsidized		
f <input type="checkbox"/> Allocation subject to nonprofit set-aside under sec. 42(h)(5)		

Signature of Authorized Housing Credit Agency Official—Completed by Housing Credit Agency Only

Under penalties of perjury, I declare that the allocation made is in compliance with the requirements of section 42 of the Internal Revenue Code, and that I have examined this form and to the best of my knowledge and belief, the information is true, correct, and complete.

Signature of authorized official	Chris Austin, Admin. Agent for NCTRAC Name (please type or print)	10/15/2020 Date
----------------------------------	---	---------------------------

Part II First-Year Certification—Completed by Building Owners with respect to the First Year of the Credit Period

7 Eligible basis of building (see instructions)	7	18,676,899
8a Original qualified basis of the building at close of first year of credit period	8a	18,676,899
b Are you treating this building as part of a multiple building project for purposes of section 42 (see instructions)?		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
9a If box 6a or box 6d is checked, do you elect to reduce eligible basis under section 42(i)(2)(B)?		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
b For market-rate units above the average quality standards of low-income units in the building, do you elect to reduce eligible basis by disproportionate costs of non-low-income units under section 42(d)(3)(B)? ▶		<input type="checkbox"/> Yes <input type="checkbox"/> No
10 Check the appropriate box for each election.		
Caution: Once made, the following elections are irrevocable.		
a Elect to begin credit period the first year after the building is placed in service (section 42(f)(1)) ▶		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
b Elect not to treat large partnership as taxpayer (section 42(j)(5)) ▶		<input type="checkbox"/> Yes
c Elect minimum set-aside requirement (section 42(g)) (see instructions):		
<input type="checkbox"/> 20-50 <input checked="" type="checkbox"/> 40-60 <input type="checkbox"/> Average income <input type="checkbox"/> 25-60 (N.Y.C. only)		
d Elect deep rent skewed project (section 142(d)(4)(B)) (see instructions)		<input type="checkbox"/> 15-40

Under penalties of perjury, I declare that I have examined this form and accompanying attachments, and to the best of my knowledge and belief, they are true, correct, and complete.

Signature	82-3912445 Taxpayer identification number	11/13/20 Date
Moshe Eichler Name (please type or print)	2019 First year of the credit period	

Low-Income Housing Credit Allocation and Certification

▶ Go to www.irs.gov/Form8609 for instructions and the latest information.

Part I Allocation of Credit

Check if: Addition to Qualified Basis Amended Form

A Address of building (do not use P.O. box) (see instructions) 400 Fayetteville Street Raleigh NC 27601	B Name and address of housing credit agency North Carolina Federal Tax Reform Allocation Comm c/o North Carolina Housing Finance Agency 3508 Bush Street Raleigh NC 27609-7509
C Name, address, and TIN of building owner receiving allocation Sir Walter Apartments LP 86 East Route 59 Spring Valley NY 10977 TIN ▶ 82-3912445	D Employer identification number of agency 56-6000372 E Building identification number (BIN) NC-18-00501

1a Date of allocation ▶ <u> </u> / <u> </u> / <u> </u>	b Maximum housing credit dollar amount allowable	1b	462,250
2 Maximum applicable credit percentage allowable (see instructions)		2	3.32 %
3a Maximum qualified basis		3a	13,923,200
b Check here <input type="checkbox"/> if the eligible basis used in the computation of line 3a was increased under the high-cost area provisions of section 42(d)(5)(B). Enter the percentage to which the eligible basis was increased (see instructions)		3b	1 0 0 %
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-.)		4	50 %
5 Date building placed in service	▶ 12 / 27 / 2018		
6 Check the boxes that describe the allocation for the building (check those that apply):			
a <input type="checkbox"/> Newly constructed and federally subsidized	b <input type="checkbox"/> Newly constructed and not federally subsidized	c <input checked="" type="checkbox"/> Existing building	
d <input type="checkbox"/> Sec. 42(e) rehabilitation expenditures federally subsidized	e <input type="checkbox"/> Sec. 42(e) rehabilitation expenditures not federally subsidized		
f <input type="checkbox"/> Allocation subject to nonprofit set-aside under sec. 42(h)(5)			

Signature of Authorized Housing Credit Agency Official—Completed by Housing Credit Agency Only

Under penalties of perjury, I declare that the allocation made is in compliance with the requirements of section 42 of the Internal Revenue Code, and that I have examined this form and to the best of my knowledge and belief, the information is true, correct, and complete.

Signature of authorized official	Chris Austin, Admin. Agent for NCTRAC Name (please type or print)	10/15/2020 Date
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Part II First-Year Certification—Completed by Building Owners with respect to the First Year of the Credit Period

7 Eligible basis of building (see instructions)	7	13,923,200
8a Original qualified basis of the building at close of first year of credit period	8a	13,923,200
b Are you treating this building as part of a multiple building project for purposes of section 42 (see instructions)?		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
9a If box 6a or box 6d is checked, do you elect to reduce eligible basis under section 42(i)(2)(B)?		<input type="checkbox"/> Yes <input type="checkbox"/> No
b For market-rate units above the average quality standards of low-income units in the building, do you elect to reduce eligible basis by disproportionate costs of non-low-income units under section 42(d)(3)(B)?		<input type="checkbox"/> Yes <input type="checkbox"/> No
10 Check the appropriate box for each election.		
Caution: Once made, the following elections are irrevocable.		
a Elect to begin credit period the first year after the building is placed in service (section 42(f)(1))		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
b Elect not to treat large partnership as taxpayer (section 42(j)(5))		<input type="checkbox"/> Yes
c Elect minimum set-aside requirement (section 42(g)) (see instructions):		
<input type="checkbox"/> 20-50 <input checked="" type="checkbox"/> 40-60 <input type="checkbox"/> Average income <input type="checkbox"/> 25-60 (N.Y.C. only)		
d Elect deep rent skewed project (section 142(d)(4)(B)) (see instructions)		<input type="checkbox"/> 15-40

Under penalties of perjury, I declare that I have examined this form and accompanying attachments, and to the best of my knowledge and belief, they are true, correct, and complete.

Signature	82-3912445 Taxpayer identification number	11/13/20 Date
Moshe Eichler Name (please type or print)	2019 First year of the credit period	

Instructions for Form 8609



Department of the Treasury
Internal Revenue Service

(Rev. July 2018)

Low-Income Housing Credit Allocation and Certification

Section references are to the Internal Revenue Code unless otherwise noted.

Future Developments

For the latest information about developments related to Form 8609 and its instructions, such as legislation enacted after they were published, go to IRS.gov/Form8609.

What's New

Average income test. An average income election has been added to the section 42(g)(1) minimum set-aside requirements by the Consolidated Appropriations Act of 2018 (P.L. 115-141). See [Line 10c](#) and [Line 10d](#), later, for details.

Reminder

The 9% minimum applicable percentage of section 42(b)(2) has been made permanent for certain buildings placed in service after July 30, 2008. For details, see the instructions for Part I.

General Instructions

Purpose of Form

Owners of residential low-income rental buildings are allowed a low-income housing credit for each qualified building over a 10-year credit period. Form 8609 can be used to obtain a housing credit allocation from the housing credit agency. A separate Form 8609 must be issued for each building in a multiple building project. Form 8609 is also used to certify certain information.

Housing credit agency. This is any state or local agency authorized to make low-income housing credit allocations within its jurisdiction.

Building identification number (BIN). This number is assigned by the housing credit agency. The BIN initially assigned to a building must be used for any allocation of credit to the building that requires a separate Form 8609 (see [Multiple Forms 8609](#), later). For example, rehabilitation expenditures treated as a separate new building shouldn't have a separate BIN if the building already has one. Use the number first assigned to the building.

Allocation of credit. For an owner to claim a low-income housing credit on a building (except as explained under [Tax-exempt bonds](#), later), the housing credit agency must make an allocation of the credit by the close of the calendar year in which the building is placed in service, unless:

1. The allocation is the result of an advance binding commitment by the housing credit agency made not later than the close of the calendar year in which the building is placed in service (see section 42(h)(1)(C));
2. The allocation relates to an increase in qualified basis (see section 42(h)(1)(D));
3. The allocation is made for a building placed in service no later than the second calendar year following the calendar year in which the allocation is made if the building is part of a

project in which the taxpayer's basis is more than 10% of the project's reasonably expected basis as of the end of that second calendar year; or

4. The allocation is made for a project that includes more than one building if:

- a. The allocation is made during the project period,
- b. The allocation applies only to buildings placed in service during or after the calendar year in which the allocation is made, and
- c. Each building in the project to which the allocation applies is identified by a separate building identification number (BIN).

Regarding (3) and (4) (carryover allocations) see sections 42(h)(1)(E) and 42(h)(1)(F) and Regulations section 1.42-6.

The agency can only make an allocation to a building located within its geographical jurisdiction. Once an allocation is made, the credit is allowable for all years during the 10-year credit period. A separate Form 8609 must be completed for each building to which an allocation of credit is made.

Multiple Forms 8609. Allocations of credit in separate calendar years require separate Forms 8609. Also, when a building receives separate allocations for acquisition of an existing building and for rehabilitation expenditures, a separate Form 8609 must be completed for each credit allocation.

Tax-exempt bonds. No housing credit allocation is required for any portion of the eligible basis of a qualified low-income building that is financed with tax-exempt bonds taken into account for purposes of the volume cap under section 146 if principal payments on the financing are applied within a reasonable period to redeem obligations the proceeds of which were used to provide the financing, or the financing is refunded as described in section 146(i)(6). An allocation isn't needed when 50% or more of the aggregate basis of the building and the land on which the building is located (defined below) is financed with tax-exempt bonds described in the preceding sentence. However, the owner must still get a Form 8609 from the appropriate housing credit agency (with the applicable items completed, including an assigned BIN).

Land on which the building is located. This includes only land that is functionally related and subordinate to the qualified low-income building. (See Regulations sections 1.103-8(a)(3) and 1.103-8(b)(4)(iii) for the meaning of "functionally related and subordinate.")

Filing Requirement

Housing credit agency. Complete and sign Part I of Form 8609 and make copies of the form. Submit a copy with Form 8610, Annual Low-Income Housing Credit Agencies Report, and keep a copy for the records. The agency must send the original, signed Form 8609 (including instructions) to the building owner.

Building owner. You must make a one-time submission of Form 8609 to the Low-Income Housing Credit (LIHC) Unit at the IRS Philadelphia campus address below. After making a copy of the completed original Form 8609, file the original of the form with the unit no later than the due date (including extensions) of your first tax return with which you are filing Form 8609-A, Annual Statement for Low-Income Housing Credit.

Where to file Form 8609. Send the properly completed and signed form(s) to:

Department of the Treasury
Internal Revenue Service Center
Philadelphia, PA 19255-0549

Note. The housing credit agency may require you to submit a copy of Form 8609 with a completed Part II to the agency. You should contact the agency to obtain agency filing requirements.

Also, file Form 8609-A for each year of the 15-year compliance period. The credit is claimed on Form 8586, Low-Income Housing Credit. See the forms for filing instructions.

Building Owner's Recordkeeping

Keep the following items in your records for three years after the due date (including extensions) of the owner's tax return for the tax year that includes the end of the 15-year compliance period.

- A copy of the original Form 8609 received from the housing agency and all related Forms 8609-A (or predecessor Schedules A (Form 8609)), Forms 8586, and any Forms 8611, Recapture of Low-Income Housing Credit.
- If the maximum applicable credit percentage allowable on line 2 reflects an election under section 42(b)(1)(A)(ii), (or former section 42(b)(2)(A)(ii), for buildings placed in service before July 31, 2008), a copy of the election statement.
- If the binding agreement specifying the housing credit dollar amount is contained in a separate document, a copy of the binding agreement.
- If the housing credit dollar amount allocated on line 1b reflects an allocation made under section 42(h)(1)(E) or section 42(h)(1)(F), a copy of the allocation document.

Specific Instructions

Part I—Allocation of Credit

Completed by Housing Credit Agency Only

Addition to qualified basis. Check this box if an allocation relates to an increase in qualified basis under section 42(f)(3). Enter only the housing credit dollar amount for the increase. Don't include any portion of the original qualified basis when determining this amount.

Amended form. Check this box if this form amends a previously issued form. Complete all entries and explain the reason for the amended form. For example, if there is a change in the amount of initial allocation before the close of the calendar year, file an amended Form 8609 instead of the original form.

Item A. Identify the building for which this Form 8609 is issued when there are multiple buildings with the same address (e.g., BLDG. 6 of 8).

Line 1a. Generally, where Form 8609 is the allocating document, the date of the allocation is the date the Form 8609 is completed, signed, and dated by an authorized official of the housing credit agency during the year the building is placed in service and mailed to the owner of the qualified low-income building.

However, if an allocation is made under section 42(h)(1)(E) or 42(h)(1)(F), the date of allocation is the date the authorized official of the housing credit agency completes, signs, and dates the section 42(h)(1)(E) or 42(h)(1)(F) document used to make the allocation. If no allocation is required (i.e., 50% or greater tax-exempt bond financed building), leave line 1a blank.

Line 1b. Enter the housing credit dollar amount allocated to the building for each year of the 10-year credit period. The amount should equal the percentage on line 2 multiplied by the amount on line 3a. The housing credit agency is required to allocate only the amount necessary to assure project feasibility. To accomplish this, the agency can, to the extent permitted by the Code and regulations, lower the percentage on line 2 and the amount on line 3a. See the instructions for these lines for the limits that apply. For tax-exempt bond projects for which no allocation is required, enter the housing credit dollar amount allowable under section 42(h)(4).

Line 2. The maximum applicable credit percentage allowable is determined in part by the date the building was placed in service. Follow the instructions pertaining to the date the building was placed in service.

Enter the maximum applicable credit percentage allowable to the building for the month the building was placed in service or, if applicable, for the month determined under section 42(b)(1)(A)(ii). This percentage may be less than the applicable percentage published by the IRS monthly in the Internal Revenue Bulletin.



A minimum applicable credit percentage of 9% is in effect for new non-federally subsidized buildings placed in service after July 30, 2008. The 9% minimum applies to new non-federally subsidized buildings even if the taxpayer made an irrevocable election under former section 42(b)(1)(A)(ii). If this circumstance applies, don't enter less than 9% on line 2. See section 42(b)(2).

If an election was made under section 42(b)(1)(A)(ii) to use the applicable percentage for a month other than the month in which a building is placed in service, the requirements of Regulations section 1.42-8 must be met. The agency must keep a copy of the binding agreement. The applicable percentage is published monthly in the Internal Revenue Bulletin. For new buildings that aren't federally subsidized under section 42(i)(2)(A), use the applicable percentage for the 70% present value credit, but don't enter less than 9%, unless the housing credit agency determines that a lesser amount is necessary to assure project feasibility. For new buildings that are federally subsidized, or existing buildings, use the applicable percentage for the 30% present value credit. See the instructions for line 6 for the definition of "federally subsidized," and the time period for which the definition applies. A taxpayer may elect under section 42(i)(2)(B) to reduce eligible basis by the proceeds of any tax-exempt obligation in order to obtain the higher credit percentage.

For allocations to buildings for additions to qualified basis under section 42(f)(3), don't reduce the applicable percentage even though the building owner may only claim a

credit based on two-thirds of the credit percentage allocated to the building.

Line 3a. Enter the maximum qualified basis of the building. In computing qualified basis, the housing credit agency should use only the amount of eligible basis necessary to result in a qualified basis which, when multiplied by the percentage on line 2, equals the credit amount on line 1b. However, the housing credit agency isn't required to reduce maximum qualified basis and can lower the maximum applicable percentage on line 2. To compute qualified basis, multiply the eligible basis of the qualified low-income building by the smaller of:

- The fractional number of low-income units to all residential rental units in the building (the "unit fraction") or
- The fractional amount of floor space of the low-income units to the floor space of all residential rental units in the building (the "floor space fraction").

Generally, the term "low-income unit" means any unit in a building if the unit is rent-restricted and the individuals occupying the unit meet the income limitation applicable to the project of which the building is a part. See section 42(i)(3)(A). Generally, a unit isn't treated as a low-income unit unless it's suitable for occupancy and used other than on a transient basis. Section 42(i)(3)(B) provides for certain exceptions (e.g., units that provide for transitional housing for the homeless may qualify as low-income units). See sections 42(i)(3) and 42(c)(1)(E) for more information.

Except as explained in the [instructions for line 3b](#) below, the eligible basis for a new building is its adjusted basis as of the close of the first tax year of the credit period. For certain existing buildings, the eligible basis is its acquisition cost plus capital improvements through the close of the first tax year of the credit period. See the instructions for line 3b and section 42(d) for other exceptions and details.

Line 3b. Special rule to increase basis for buildings in certain high-cost areas. If the building is located in a high-cost area (i.e., "qualified census tract" or "difficult development area"), the eligible basis may be increased as follows.

- For new buildings, the eligible basis may be up to 130% of such basis determined without this provision.
- For existing buildings, the rehabilitation expenditures under section 42(e) may be up to 130% of the expenditures determined without regard to this provision.

Enter the percentage to which eligible basis was increased. For example, if the eligible basis was increased to 120%, enter "120."

Section 42(d)(5)(B)(v) permits a similar increase in basis for any non-federally subsidized building designated by the state agency to need the basis increase to be financially feasible as part of a qualified low-income housing project.



See section 42(d)(5)(B) for definitions of a qualified census tract and a difficult development area, and for other details.

Note. Before increasing eligible basis, the eligible basis must be reduced by any federal subsidy which the taxpayer elects to exclude from eligible basis. For buildings placed in service after July 30, 2008, the eligible basis can't include any costs financed with federal grant proceeds.

Line 4. Enter the percentage of the aggregate basis of the building and land on which the building is located that is

financed by certain tax-exempt bonds. If this amount is zero, enter -0-. Don't leave this line blank.

Line 5. The placed-in-service date for a residential rental building is the date the first unit in the building is ready and available for occupancy under state or local law. Rehabilitation expenditures treated as a separate new building under section 42(e) are placed in service at the close of any 24-month period over which the expenditures are aggregated, whether or not the building is occupied during the rehabilitation period.

Note. The placed-in-service date for an existing building is determined separately from the placed-in-service date of rehabilitation expenditures treated as a separate new building.

Line 6. Not more than 90% of the state housing credit ceiling for any calendar year can be allocated to projects other than projects involving qualified nonprofit organizations. A project involves a qualified nonprofit organization if that qualified nonprofit organization owns an interest in the project (directly or through a partnership) and materially participate (within the meaning of section 469(h)) in the development and operation of the project throughout the compliance period. See section 42(h)(5) for more details.

Generally, no credit is allowable for acquisition of an existing building unless substantial rehabilitation is done. See sections 42(d)(2)(B)(iv) and 42(f)(5) that were in effect on the date the allocation was made. Don't issue Form 8609 for acquisition of an existing building unless substantial rehabilitation under section 42(e) is placed in service.

Lines 6a and 6d. A building is treated as federally subsidized if at any time during the tax year or prior tax year there is outstanding any tax-exempt bond financing, the proceeds of which are used (directly or indirectly) for the building or its operation. If a building is federally subsidized, then box 6a or 6d must be checked regardless of whether the taxpayer has informed the housing credit agency that the taxpayer intends to make the election under section 42(i)(2)(B) to reduce eligible basis by the proceeds of any tax-exempt obligation.

Part II—First-Year Certification

Completed by Building Owner With Respect to the First Year of the Credit Period



By completing Part II, you are certifying the date the building is placed in service corresponds to the date on line 5. If the Form 8609 issued to you contains the wrong date or no date, obtain a new or amended Form 8609 from the housing credit agency.

Line 7. Enter the eligible basis (in dollars) of the building. Eligible basis doesn't include the cost of land. Determine eligible basis at the close of the first year of the credit period (see sections 42(f)(1), 42(f)(5), and 42(g)(3)(B)(iii) for determining the start of the credit period).

For new buildings, the eligible basis is generally the cost of construction or rehabilitation expenditures incurred under section 42(e).

For existing buildings, the eligible basis is the cost of acquisition plus rehabilitation expenditures not treated as a separate new building under section 42(e) incurred by the close of the first year of the credit period.

If the housing credit agency has entered an increased percentage in Part I, line 3b, multiply the eligible basis by the increased percentage and enter the result.

Residential rental property may qualify for the credit even though part of the building in which the residential rental units are located is used for commercial use. Don't include the cost of the nonresident rental property. However, you may generally include the basis of common areas or tenant facilities, such as swimming pools or parking areas, provided there is no separate fee for the use of these facilities and they are made available on a comparable basis to all tenants in the project.

The eligible basis shall not include any costs paid by the proceeds of a federal grant. Also, reduce the eligible basis by the entire basis allocable to non-low-income units that are above average quality standard of the low-income units in the building. You may, however, include a portion of the basis of these non-low-income units if the cost of any of these units doesn't exceed by more than 15% the average cost of all low-income units in the building, and you elect to exclude this excess cost from the eligible basis by checking the "Yes" box on line 9b. See section 42(d)(3).


You may elect to reduce the eligible basis by the proceeds of any tax-exempt obligation to obtain a higher credit percentage. To make this election, check the "Yes" box in Part II, line 9a. Reduce the eligible basis by the obligation proceeds before entering the amount on line 7. You must reduce the eligible basis by such obligation proceeds before multiplying the eligible basis by the increased percentage in Part I, line 3b.

Line 8a. Multiply the eligible basis of the building shown on line 7 by the smaller of the unit fraction or the floor space fraction as of the close of the first year of the credit period and enter the result on line 8a. Low-income units are units occupied by qualifying tenants, while residential rental units are all units, whether or not occupied. See the instructions for Part I, line 3a.

Line 8b. Each building is considered a separate project under section 42(g)(3)(D) unless, before the close of the first calendar year in the project period (defined in section 42(h)(1)(F)(ii)), each building that is (or will be) part of a multiple building project is identified by attaching the statement described below.

The statement must be attached to this Form 8609 and include:

- The name and address of the project and each building in the project,
- The BIN of each building in the project,
- The aggregate credit dollar amount for the project, and
- The credit allocated to each building in the project.

 *Notwithstanding a checked "Yes" box on line 8b, failure to attach a statement providing the above required information will result in each building being considered a separate project under section 42(g)(3)(D). The minimum set-aside requirement (see the instructions for line 10c) is a project-based test.*

Two or more qualified low-income buildings may be included in a multiple building project only if they:

- Are located on the same tract of land (including contiguous parcels), unless all of the dwelling units in all of the buildings being aggregated in the multiple building project are rent restricted units (see section 42(g)(7));
- Are owned by the same person for federal tax purposes;

- Are financed under a common plan of financing; and
- Have similarly constructed housing units.

A qualified low-income building includes residential rental property that is an apartment building, a single-family dwelling, a town house, a row house, a duplex, or a condominium.

Line 9a. Follow the instructions that apply for the date the building was placed in service.

You may elect to reduce the eligible basis by the proceeds of any tax-exempt obligation and claim the 70% present value credit on the remaining eligible basis. A minimum applicable percentage of 9% is in effect for new non-federally subsidized buildings placed in service after July 30, 2008, unless the housing credit agency determines a lesser amount is necessary to assure project feasibility. However, if you make this election, you may not claim the 30% present value credit on the portion of the basis that was financed with the tax-exempt obligation.

Line 9b. See the instructions for Part II, line 7.


Line 10a. You may elect to begin the credit period in the tax year after the building is placed in service. Once made, the election is irrevocable.

Note. Section 42(g)(3)(B)(iii) provides special rules for determining the start of the credit period for certain multiple building projects.

Line 10b. Partnerships with 35 or more partners are treated as the taxpayer for purposes of recapture unless an election is made not to treat the partnership as the taxpayer. Check the "Yes" box if you don't want the partnership to be treated as the taxpayer for purposes of recapture. Once made, the election is irrevocable.

Line 10c. You must meet the minimum set-aside requirements under section 42(g)(1) for the project by electing one of the following tests. Once made, the election is irrevocable.

- **20-50 Test.** Twenty percent (20%) or more of the residential units in the project must be both rent restricted and occupied by individuals whose income is 50% or less of the area median gross income.
- **40-60 Test.** Forty percent (40%) or more of the residential units in the project must be both rent restricted and occupied by individuals whose income is 60% or less of the area median gross income.
- **Average Income Test.** Forty percent (40%) or more (25% or more in the case of a project described in section 142(d)(6)) of the residential units in the project must be both rent restricted and occupied by individuals whose income does not exceed the imputed income limitation designated by the taxpayer with respect to the respective unit. The average of the imputed income limitations designated must not be more than 60% of the area median gross income. The designated imputed income limitation of a unit can only be 20%, 30%, 40%, 50%, 60%, 70%, or 80% of the area median gross income.

 *The average income test is only available for elections made after March 23, 2018.*

Note. Owners of buildings in projects located in New York City may not use the 40-60 Test. Instead, they may use the **25-60 Test**. Under the 25-60 Test, 25% or more of the residential units in the project must be both rent restricted

and occupied by individuals whose income is 60% or less of the area median gross income (see section 142(d)(6)).

Rural projects. For purposes of the 20-50, 40-60, average income, and 25-60 tests, "national non-metropolitan median income" will be used for determining income if it exceeds "area median gross income," but only for determinations of income made after July 30, 2008, and buildings with an allocation of credit. See section 42(i)(8) for details.



The minimum set-aside requirement is a project-based test and must be met by the close of the first year of the credit period in order to claim any credit for the first year or for any subsequent years.

Line 10d. The deep rent skewed 15-40 election isn't an additional test for satisfying the minimum set-aside requirements of section 42(g)(1). The 15-40 test is an election that relates to the determination of a low-income tenant's income. Generally, a continuing resident's income may increase up to 140% of the applicable income limit.

- If the 20-50, 40-60, or 25-60 test under the minimum set-aside rules described, earlier, in *Line 10c* has been elected, the applicable income limit generally is 50% or less or 60% or less of the area median gross income (or, when applicable, national non-metropolitan median income).
- If the average income test in *Line 10c* has been elected, the applicable income limit generally is the imputed income limitation designated by the taxpayer with respect to the respective unit. The average of the imputed income limitations designated must not exceed 60% of the area median gross income (or, when applicable, national non-metropolitan median income). Also, the designated imputed income limitation of any unit must be in 10% increments between the range of 20% and 80% of the area median gross income (or, when applicable, national non-metropolitan median income).

When the deep rent skewed election is made, the income of a continuing resident may increase up to 170% of the applicable income limit. If the deep rent skewed election is made, at least 15% of all low-income units in the project must be occupied at all times during the compliance period by tenants whose income is 40% or less of the area median gross income (or when applicable, national non-metropolitan median income). A deep rent skewed project itself must meet the requirements of section 142(d)(4)(B). Once made, the election is irrevocable.

Privacy Act and Paperwork Reduction Act Notice. We ask for the information on this form to carry out the Internal Revenue laws of the United States. Claiming this credit is voluntary; however, if you do claim the credit, sections 42, 6001, and 6011 require you to provide this information. Section 6109 requires you to provide your taxpayer identifying number (SSN, EIN, or ITIN). We need this information to ensure that you are complying with the revenue laws and to allow us to figure and collect the right amount of tax. We may disclose this information to the Department of Justice for civil or criminal litigation, and to cities, states, the District of Columbia, and U.S. commonwealths and possessions for use in administering their tax laws. We may also disclose this information to other countries under a tax treaty, to federal and state agencies to enforce federal nontax criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism. Failure to provide this information may delay or prevent processing your claim. Providing false information may subject you to penalties.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law.

The time needed to complete and file the form will vary depending on individual circumstances. The estimated average time is:

Learning about the law or the form	4 hr., 10 min.
Recordkeeping	10 hr., 45 min.
Preparing and sending the form to the IRS . . .	4 hr., 31 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making these forms simpler, we would be happy to hear from you. You can send your comments from [IRS.gov/FormsPubs](https://www.irs.gov/FormsPubs). Click on "Help with Forms and Instructions" and then on "Give us feedback." Or you can send your comments to the Internal Revenue Service, Tax Forms and Publications, 1111 Constitution Ave. NW, IR-6526, Washington, DC, 20224. Do not send the tax form to this office. Instead, see *Filing Requirement*, earlier.

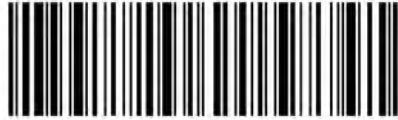
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SIR WALTER APARTMENTS LP
AGREEMENT OF LIMITED PARTNERSHIP
dated as of
January 7, 2018

**AGREEMENT OF LIMITED PARTNERSHIP
OF
SIR WALTER APARTMENTS LP**

(a North Carolina limited partnership)

This AGREEMENT OF LIMITED PARTNERSHIP of SIR WALTER APARTMENTS LP is made as of the ___ day of _____, 2018, by and among SIR WALTER APARTMENTS GP LLC, a North Carolina limited liability company (the “General Partner”), as general partner and the Party(ies) whose name(s) are set forth on Schedule A, attached hereto and incorporated by reference herein, as limited partner(s) (whether one or more than one, the “Limited Partners”), pursuant to the provisions of the North Carolina Revised Uniform Limited Partnership Act (the “Act”), on the following terms and conditions:

1. THE PARTNERSHIP

a. Formation. The Partners hereby agree to form the Partnership as a limited partnership pursuant to the provisions of the Act and upon the terms and conditions set forth in this Agreement.

b. Name. The name of the Partnership shall be “Sir Walter Apartments LP” or such other name as the General Partner may hereafter designate in writing to the Limited Partners.

c. Purpose; Character of Partnership Business. The purpose of the Partnership is to foster low income housing and specifically, to redevelop, own and operate the Project and to take advantage of financing and investment funds which may be made available for the development of such Project as affordable and other residential property. In furtherance of this purpose, the Partnership may acquire, hold, maintain, develop, own, operate, improve, lease, manage, sell, finance or transfer the Project, or portions thereof; and to engage in any other activities deemed by the General Partner in its sole discretion to be incidental or related thereto.

d. Principal Place of Business. The principal place of business of the Partnership shall be maintained at 86 Route 59 East, Spring Valley, NY 10977. The General Partner may from time to time change such office and the principal place of business and in such event the General Partner shall notify the Limited Partners prior to the effective date of such change.

e. Term. The term of the Partnership commenced on the date that the certificate of limited partnership (the “Certificate”) of the Partnership was filed with the Secretary of State of the State of North Carolina, in accordance with the Act and shall continue until the winding up and liquidation of the Partnership; provided, that the term of the Partnership

shall not end any earlier than the maturity date of the HUD-insured Loan (as hereinafter defined) plus ten (10) years.

f. Filings.

- i. The General Partner has caused the Certificate to be filed in the appropriate offices of the State of North Carolina in accordance with the provisions of the Act. The General Partner shall take any and all other actions reasonably necessary to perfect and maintain the status of the Partnership as a limited partnership under the laws of the State of North Carolina or similar type of entity under the laws of any other states or jurisdictions in which the Partnership may engage in business. The General Partner shall cause amendments to the Certificate to be filed whenever required by the Act. Such amendments may be executed by the General Partner or by any person designated in the amendment as a new General Partner.
- ii. Upon dissolution, the General Partner shall promptly execute and cause to be filed a certificate of dissolution in accordance with the Act and the laws of any other states or jurisdictions in which the Partnership engages in business.

2. DEFINITIONS

As used in this Agreement, the following terms shall have the following meanings:

- a. Agreement or Partnership Agreement means this Agreement of Limited Partnership, as amended from time to time.
- b. Capital Account means the bookkeeping account maintained for each Partner in accordance with Treasury Regulations issued under Section 704(b) of the Code.
- c. Capital Contribution means, with respect to any Partner, the amount of money and the initial Gross Asset Value of any property (other than money) contributed to the Partnership by such Partner or attributable to a Partnership Interest transferred to such Partner (whether or not for consideration).
- d. Code means the Internal Revenue Code of 1986, as amended from time to time (or any corresponding provisions of succeeding law).
- e. Depreciation means, for each Fiscal Year or other period, an amount equal to the depreciation, amortization, or other cost recovery

deduction allowable for federal income tax purposes with respect to an asset for such Fiscal Year or other period, except that if the Gross Asset Value of an asset differs from its adjusted basis for federal income tax purposes at the beginning of such Fiscal Year or other period, Depreciation shall be an amount which bears the same ratio to such beginning Gross Asset Value as the federal income tax depreciation, amortization, or other cost recovery deduction for such Fiscal Year or other period bears to such beginning adjusted tax basis. In the event that the federal income tax depreciation, amortization, or other cost recovery deduction is zero, Depreciation shall be determined with reference to such beginning Gross Asset Value using any reasonable method.

f. Fiscal Year means the twelve-month period ending December 31 in each year.

g. General Partner means any Person who (i) is referred to as general partner of the Partnership in the preamble of this Agreement or has become a general partner of the Partnership pursuant to the terms of this Agreement, and (ii) has not ceased to be a general partner of the Partnership pursuant to the terms of this Agreement.

h. Interest means, with respect to any Partner, such Partner's Interest in the capital of the Partnership, and Percentage Interest means such Interest expressed as a percentage of all Partners' Interests in the capital of the Partnership. Each Partner's initial Percentage Interest shall be as reflected on Schedule A attached hereto.

i. Limited Partner means any Person whose name is set forth on Schedule A hereto as a limited partner or any Person who has been admitted to the Partnership as an additional or substitute limited partner pursuant to the terms of this Agreement.

j. Net Cash Flow means, for each Fiscal Year, the Partnership's Profits (for this purpose any Losses shall be treated as negative Profits), adjusted as follows:

- i. Increased by the following:
 - (a) Any receipts which are not included in the computation of Profits (such as capital contributions, loan proceeds, and withdrawals from reserves).
 - (b) Any deductions not involving cash expenditures (such as depreciation, amortization and other cost recovery deductions).

- ii. Decreased by the following:
 - (a) All expenditures which are not deducted in determining Profits (such as expenditures for capital improvements, asset acquisitions, and loan repayments).
 - (b) Contributions to any reserve established by the General Partner (the amount of which shall be in the sole discretion of the General Partner) for anticipated working capital needs, improvements, reinvestments or any other purposes the General Partner may determine is necessary or appropriate for the operation of the Partnership.
- k. Partner means any General Partner or any Limited Partner, where no distinction is required by the context in which the term is used herein.
- l. Partnership means the partnership continued pursuant to this Agreement and the partnership continuing the business of this Partnership in the event of dissolution as herein provided.
- m. Partnership Property means all real and personal property acquired by the Partnership and any improvements thereto, and shall include both tangible and intangible property.
- n. Person means any individual, partnership, corporation, trust, or other entity.
- o. Project means that certain multifamily apartment project commonly known as Sir Walter Apartments comprising 140 units and located at 400 Fayetteville St, Raleigh, NC 27601.
- p. Profits and Losses means, for each fiscal year or other period, an amount equal to the Partnership's taxable income or loss for such year or period, determined in accordance with Section 703(a) of the Code (for this purpose, all items of income, gain, loss, or deduction required to be stated separately pursuant to Section 703(a)(1) of the Code shall be included in taxable income or loss), with the following adjustments:
 - i. Income of the Partnership that is exempt from federal income tax and not otherwise taken into account in computing Profits or Losses shall be added to such taxable income or loss.
 - ii. Expenditures of the Partnership described in Section 705(a)(2)(b) of the Code or treated as such

expenditures pursuant to Treasury Regulation §1.704-1(b)(2)(iv)(i), and not otherwise taken into account in computing Profits or Losses shall be subtracted from such taxable income or loss.

iii. In lieu of the depreciation, amortization, and other cost recovery deductions taken into account in computing taxable income or loss, there shall be taken into account Depreciation for such fiscal year or other period.

q. Transfer means to sell, assign, transfer, gift, donate, pledge, bequeath, devise or otherwise dispose of or encumber to any Person other than the Partnership.

r. Treasury Regulations means the regulations promulgated under the Code, as such regulations may be amended from time to time (including temporary regulations and corresponding provisions of succeeding regulations).

s. Unanimous Consent means, with respect to any action to be taken by a Partner or the Partnership for which the consent of one or more of the Partners is required, the consent of all of the Partners of the Partnership.

3. CAPITAL CONTRIBUTIONS

a. Contributions of Partners. Simultaneous with the execution hereof, each Partner shall make an initial contribution to the capital of the Partnership of cash or property in the amount and kind set forth next to that Partner's respective name on Schedule A attached hereto. The Partners shall not be required to make any additional capital contributions or advance any funds to the Partnership, except as expressly provided herein.

b. Limited Liability of Limited Partners. No Limited Partner shall be liable for the debts, liabilities, contracts, or any other obligations of the Partnership. Except as otherwise provided by applicable state law, a Limited Partner shall be liable only to make his Capital Contributions and shall not be required to lend any funds to the Partnership or, after his Capital Contributions have been paid, to make any additional Capital Contributions to the Partnership.

4. CAPITAL ACCOUNTS

Maintenance of Capital Accounts. The Partnership shall maintain a Capital Account for each Partner in accordance with Treasury Regulations issued under Section 704(b) of the Code.

5. ALLOCATIONS

Profits and Losses. Profits and losses of the Partnership shall be distributed in accordance with the Partners' Percentage Interest.

6. DISTRIBUTIONS

a. Net Cash Flow. Except as otherwise provided in Section 6 hereof, Net Cash Flow, if any, shall be distributed once annually, or at such time as the General Partner, in its sole discretion, shall determine and agree, in accordance with the Partners' Percentage Interests. Any distribution made pursuant to this Section 6 shall be to all Partners in accordance with each Partner's Percentage Interest as it exists on the date of such distribution.

b. Special Distribution of Project Proceeds. It is foreseen by the Partners that after payment of all costs of development for the Project, including, without limitation, fees to third-party vendors and consultants, a portion of the funds from financing sources utilized by the Partnership for development may remain unexpended ("Remaining Proceeds"). The Partners agree that such funds should be distributed to the General Partner, as compensation for their development services.

c. Distributions Upon Liquidation. Notwithstanding Section 6.a hereof, if all or substantially all of the assets of the Partnership are sold in connection with a liquidation of the Partnership, or if the Partnership is otherwise liquidated, the assets of the Partnership shall be distributed in the following order and priority:

- i. First, to payment of the debts and liabilities of the Partnership (other than those to Partners) in the order of priority provided by law, provided that the General Partner shall first pay, to the extent permitted by law, liabilities with respect to which any Partner is or may be personally liable.
- ii. Second, to payment of the expenses of liquidation of the Partnership in the order of priority provided by law, provided that the General Partner shall first pay, to the extent permitted by law, liabilities or debts owed to Partners.
- iii. Third, to the setting up of such reserves as the General Partner may deem reasonably necessary for any contingent or unforeseen liabilities or obligations of the Partnership arising out of or in connection with its business, provided that any such reserve will be held by the General Partner for the purposes of disbursing such reserves in payment of

any of the aforementioned contingencies and at the expiration of such period as the General Partner shall deem advisable (but in no case to exceed eighteen (18) months from the date of liquidation unless an extension of time is approved by a Unanimous Consent of the Partners), to distribute the balance thereafter remaining in the manner hereinafter provided.

- iv. The balance of the proceeds, if any, to be distributed on or before the later of (i) the end of the taxable year during which such liquidation occurs or (ii) ninety (90) days after the date of such liquidation, in accordance with the positive Capital Account balances of the Partners, as determined after taking into account all Capital Account adjustments required by Treasury Regulation §1.704-1(b) for the taxable year of the Partnership in which such liquidation occurs.

7. MANAGEMENT

a. Authority of the General Partner. Subject to the limitations and restrictions set forth below and otherwise in this Agreement, the General Partner shall have the exclusive right to manage and control the day-to-day operations, business and investments, and affairs of the Partnership, and shall have all of the rights and powers which may be possessed by a general partner under the Act, including, without limitation, the following right and power:

- i. To make final investment decisions of the Partnership;
- ii. To sell, finance or refinance the assets of the Partnership in pursuit of the Partnership's purpose as set forth in Section 1 of this Agreement and to exercise any rights or powers possessed by the General Partner thereunder;
- iii. To purchase, hold for investment and dispose of, securities and to enter into agreements with other parties with respect to any investment activities, which agreements may contain such terms, conditions and provisions as the General Partner shall approve;
- iv. To purchase from or through others contracts of liability, casualty and other insurance which the General Partner deems advisable, appropriate or convenient for the protection of the Investments or other assets or affairs of

the Partnership or for any purpose convenient or beneficial to the Partnership;

- v. To acquire by purchase, lease, or otherwise any real or personal property which may, in the sole discretion of the General Partner, be necessary, convenient, or incidental to the accomplishment of the purposes of the Partnership;
- vi. To invest the funds of the Partnership in any medium or form of investment whatsoever;
- vii. To pay with Partnership funds any and all fees and expenses incurred in the organization of the Partnership;
- viii. To appoint, employ, or contract with any person, the General Partner may in its sole discretion deem necessary or desirable for the management of the Partnership, which persons may, under the supervision of the General Partner: administer the day-to-day operations of the Partnership; act as consultants, accountants, correspondents, attorneys, brokers, escrow agents, or in any other capacity deemed by the General Partner necessary or desirable; investigate, select and, on behalf of the Partnership, conduct relations with persons acting in such capacities and pay appropriate fees to, and enter into appropriate contracts with, or employ, or retain services performed or to be performed by any of the foregoing persons in connection with the Investments acquired, sold, or otherwise disposed of; perform or assist in the performance of such administrative or managerial functions necessary in the management of the Partnership; and perform such other acts or services for the Partnership as the General Partner, in its sole and absolute discretion, may approve; and
- ix. To execute and deliver such agreements, contracts, documents and instruments with such parties and to give such receipts, releases and discharges with respect to all of the foregoing and any matters incident thereto as the General Partner may deem advisable, appropriate or convenient.

b. Right to Rely on General Partner. Any Person dealing with the Partnership may rely upon a certificate signed by the General Partner as to any of the following:

- i. The identity of any Partner.

- ii. The existence or nonexistence of any fact or facts which constitute a condition precedent to acts by a General Partner or which are in any manner germane to the affairs of the Partnership.
 - iii. The Persons who are authorized to execute and deliver any instrument or document of the Partnership.
 - iv. Any act or failure to act by the Partnership or any other matter whatsoever involving the Partnership or any Partner.
- c. Restrictions on Authority of General Partner. Without a Unanimous Consent of the Partners, no General Partner may have the authority to:
- i. elect to dissolve the Partnership; or
 - ii. amend this Agreement in any manner other than as specifically permitted herein.
- d. Duties and Obligations of General Partner. The General Partner shall take all actions which may be necessary or appropriate (a) for the continuation of the Partnership's valid existence as a limited partnership under the laws of the State of North Carolina (and of each other jurisdiction in which such existence is necessary to protect the limited liability of the Limited Partners or to enable the Partnership to conduct the business in which it is engaged) and (b) for the acquisition, development, maintenance, preservation, and operation of Partnership Property in accordance with the provisions of this Agreement and applicable laws and regulations.
- e. Indemnification of General Partner. The Partnership, its receiver, or its trustee shall indemnify, save harmless, and pay all judgments and claims against any General Partner or any officers, members or directors of such General Partner relating to any liability or damage incurred by reason of any act performed or omitted to be performed by such General Partner, or officer or director of such General Partner in connection with the business of the Partnership, including attorney fees incurred by such General Partner, or officer or director of such General Partner in connection with the defense of any action based on any such act or omission, which attorney fees may be paid as incurred, including all such liabilities under federal and state securities laws (including the Securities Act of 1933, as amended) as permitted by law.

8. RIGHTS AND OBLIGATIONS OF LIMITED PARTNERS

a. Voting Rights. Each Limited Partner shall have the right to vote on the matters explicitly set forth in this Agreement as requiring the vote or consent of Limited Partners.

b. No Right to Participate in Business. Except as set forth in Section 8.a, no Limited Partner may participate in the management and control of the business or affairs of the Partnership or to act to bind the Partnership in any way.

c. General Partner as Attorney-in-Fact. Each Limited Partner hereby makes, constitutes and appoints the General Partner, with full power of substitution and resubstitution, its true and lawful attorney-in-fact for it and in its name, place, and stead and for its use and benefit, to sign, execute, certify, acknowledge, swear to, file, and record (a) this Agreement and all agreements, certificates, instruments, and other documents amending or changing this Agreement as now or hereafter amended which the General Partner may deem necessary, desirable, or appropriate including, without limitation, amendments or changes to reflect (i) the exercise by the General Partner of any power granted to it under this Agreement; (ii) any amendments adopted by the Partners in accordance with the terms of this Agreement; (iii) the admission of any substituted Partner; and (iv) the disposition by any Partner of his Interest in the Partnership; and (b) any certificates, instruments, and documents as may be required by, or may be appropriate under, the laws of any state or jurisdiction in which the Partnership is doing or intends to do business. Each Limited Partner authorizes the General Partner as such attorney-in-fact to take any further action which such attorney-in-fact shall consider necessary or advisable in connection with any of the foregoing, hereby giving each such attorney-in-fact full power and authority to do and perform each and every act or thing whatsoever requisite or advisable to be done in connection with the foregoing as fully as such Limited Partner might or could do personally, and hereby ratifying and confirming all that any such attorney-in-fact shall lawfully do or cause to be done.

9. BOOKS OF ACCOUNT AND FINANCIAL REPORTS

a. Books of Account. At all times during the continuance of the Partnership, the General Partner shall keep or cause to be kept full and true books and records of account in which shall be entered fully and accurately the business transactions arising out of and in connection with the conduct of the Partnership.

b. Access by Limited Partner. The Limited Partner shall have access to the Partnership books and records of accounts during business hours.

10. TRANSFERABILITY OF PARTNERSHIP INTERESTS

a. Restrictions on Transfers. Except as otherwise permitted by this Agreement, no General Partner or Limited Partner shall Transfer all or any portion of their respective Interests.

b. Permitted Limited Partner Transfers. A Limited Partner may Transfer all or any portion of its Interests to (a) any other Limited Partner, or (b) a third party upon approval by the General Partner.

c. Permitted General Partner Transfers. A General Partner may Transfer all or any portion of his/her Interests to (a) any other General Partner, or (b) a third party upon obtaining a Unanimous Consent of the Partners.

11. DISSOLUTION AND WINDING UP

a. Dissolution. The Partnership shall be dissolved upon the first to occur of any of the following:

i. December 31, 2099.

ii. The sale of all or substantially all of the Partnership Property.

12. AMENDMENTS AND MEETINGS

a. Amendments. Amendments to this Agreement shall be adopted and be effective as an amendment hereto if it receives a Unanimous Consent of the Partners.

b. Notwithstanding. Notwithstanding Section 12.a hereof, this Agreement may be amended by the General Partner, without the consent of any of the Limited Partners: (a) to add to the representations, duties, or obligations of the General Partner or surrender any right or power granted to the General Partner herein for the benefit of the Limited Partners; and (b) to cure any ambiguity, to correct or supplement any provision hereof which may be inconsistent with any other provisions hereof, or to make any other provision with respect to matters or questions arising under this Agreement not inconsistent with the intent of this Agreement; provided, however, that no amendment shall be adopted pursuant to this Section unless the adoption thereof is for the benefit of or not adverse to the Interests of the Limited Partners.

13. MISCELLANEOUS

a. Binding Effect. Except as otherwise provided in this Agreement, every covenant, term, and provision of this Agreement shall be binding

upon and inure to the benefit of the Partners and their respective heirs, legatees, legal representatives, successors, transferees, and assigns.

b. Construction. Every covenant, term, and provision of this Agreement shall be construed simply according to its fair meaning and not strictly for or against any Partner.

c. Headings. Section and other headings contained in this Agreement are for reference purposes only and are not intended to describe, interpret, define, or limit the scope, extent, or intent of this Agreement or any provision hereof.

d. Severability. Every provision of this Agreement is intended to be severable. If any term or provision hereof is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the validity or legality of the remainder of this Agreement.

e. Incorporation by Reference. Every exhibit, schedule, and other appendix attached to this Agreement and referred to herein is hereby incorporated in this Agreement by reference.

f. Variation of Pronouns. All pronouns and any variations thereof shall be deemed to refer to masculine, feminine, or neuter, singular or plural, as the identity of the Person or Persons may require.

g. Governing Law. The laws of the State of North Carolina shall govern the validity of this Agreement, the construction of its terms, and the interpretation of the rights and duties of the Partners.

h. Sole and Absolute Discretion. Except as otherwise provided in this Agreement, all actions which a General Partner may take and all determinations which General Partner may make pursuant to this Agreement may be taken and made at the sole and absolute discretion of such General Partner.

14. HUD REQUIREMENTS

Notwithstanding any clause or provision in this Agreement to the contrary and so long as the United States Department of Housing and Urban Development (“HUD”) or a successor or assign of HUD is the insurer or holder of a loan to the Partnership (the “HUD-insured Loan”) secured by the mortgage on the Project, the following provisions shall apply:

a. If any of the provisions of the organizational documents conflict with the terms of the HUD-insured Note, Security Instrument, or HUD Regulatory

Agreement ("HUD Loan Documents"), the provisions of the HUD Loan Documents shall control.

b. No provision required by HUD to be inserted into the organizational documents may be amended without HUD's prior written approval. Additionally, if there is a conflict between any HUD-required provisions inserted into this Agreement and any other provision of this Agreement, the terms of the HUD-required provisions will govern; and if there is a conflict between any of the provisions in the Certificate and any HUD-required provisions of this Agreement, the HUD-required provisions will govern.

c. Unless otherwise approved in writing by HUD, the Partnership's business and purpose shall consist solely of the acquisition, ownership, operation and maintenance of the Project, and activities incidental thereto. The Partnership shall not engage in any other business or activity. The Project shall be the sole asset of the Partnership, which shall not own any other real estate other than the aforesaid Project.

d. None of the following will have any force or effect without the prior written consent of HUD:

i. Any amendment that modifies the term of the Partnership's existence;

ii. Any amendment that triggers application of the HUD previous participation certification requirements (as set forth in Form HUD-2530, Previous Participation Certification, or 24 C.F.R. § 200.210, et seq.);

iii. Any amendment that in any way affects the HUD Loan Documents;

iv. Any amendment that would authorize any Partner, owner, officer or manager, other than the one previously authorized by HUD, to bind the Partnership for all matters concerning the Project which require HUD's consent or approval;

v. A change that is subject to the HUD TPA requirements contained in Chapter 13 of HUD Handbook 4350.1 REV-1; or

vi. Any change in a guarantor of any obligation to HUD (including those obligations arising from violations of the Regulatory Agreement).

e. The Partnership is authorized to execute a Note and Security Instrument in order to secure a loan to be insured by HUD and to execute the Regulatory Agreement and other documents required by the Secretary in connection with the HUD-insured loan.

f. Any incoming Partner of the Partnership must, as a condition of receiving an interest in the Partnership, agree to be bound by the HUD Loan Documents and all other documents required in connection with the HUD-insured Loan to the same extent and on the same terms as the other Partners.

g. Upon any dissolution, no title or right to possession and control of the Project, and no right to collect the rents from the Project, shall pass to any person or entity that is not bound by the Regulatory Agreement in a manner satisfactory to HUD.

h. The key principals of the Partnership identified in the Regulatory Agreement are liable in their individual capacities to HUD to the extent set forth in the Regulatory Agreement.

i. The approved Partnership shall not voluntarily be dissolved or converted to another form of entity without the prior written approval of HUD.

j. The Partnership has designated Moshe Eichler as its official representative for all matters concerning the Project that require HUD consent or approval. The signature of this representative will bind the Partnership in all such matters. The Partnership may from time to time appoint a new representative to perform this function, but within three business days of doing so, will provide HUD with written notification of the name, address, and telephone number of its new representative. When a person other than the person identified above has full or partial authority with respect to management of the Project, the Partnership will promptly provide HUD with the name of that person and the nature of that person's management authority.


k. Notwithstanding any provision in this Agreement to the contrary, any obligation of the Partnership to provide indemnification under this Partnership Agreement shall be limited to (i) amounts mandated by state law, if any, (ii) coverage afforded under any liability insurance carried by the Partnership and (iii) available "surplus cash" of the Partnership as defined in the Regulatory Agreement. Until funds from a permitted source for payment of indemnification costs are available for payment, the Partnership shall not (a) pay funds to any members, partners, officers and directors, or (b) pay the deductible on an indemnification policy for any members, partners, officers and directors.

[Signatures appear on the following page]

IN WITNESS WHEREOF, the parties hereto have entered into this Agreement of Limited Partnership on the day first set forth above.

GENERAL PARTNER:


SIR WALTER APARTMENTS GP LLC,
a North Carolina limited liability company

By: 

Moshe Eichler
Manager

LIMITED PARTNERS:

HOUSE OF DAVID PRESERVATION INC.,
a District of Columbia nonprofit corporation

By: 

Israel Wilhelm
President

SCHEDULE A

to

AGREEMENT OF LIMITED PARTNERSHIP

of

SIR WALTER APARTMENTS LP

(a North Carolina limited partnership)

	<u>Partner Name</u>	<u>Capital Contribution</u>	<u>Partnership Interest</u>
GENERAL PARTNER:	SIR WALTER APARTMENTS GP LLC	\$1.00	00.01%
LIMITED PARTNER:	HOUSE OF DAVID PRESERVATION INC.,	\$100.00	99.99%

FIRST AMENDMENT TO THE AMENDED AND RESTATED
AGREEMENT OF LIMITED PARTNERSHIP OF
SIR WALTER APARTMENTS LP

THIS FIRST AMENDMENT TO THE AMENDED AND RESTATED AGREEMENT OF LIMITED PARTNERSHIP OF SIR WALTER APARTMENTS LP (the “Amendment”), is entered into effective as of January 1, 2019, by and among SIR WALTER APARTMENTS GP LLC, a North Carolina limited liability company (the “General Partner”), RBC TAX CREDIT EQUITY, LLC, an Illinois limited liability company (the “Limited Partner”) and RBC TAX CREDIT MANAGER II, INC., a Delaware corporation (the “Special Limited Partner”).

Immediately prior to the effective date hereof, SIR WALTER APARTMENTS LP, a North Carolina limited partnership (the “Partnership”) has been governed by its Amended and Restated Agreement of Limited Partnership, dated as of December 1, 2018 (the “Partnership Agreement”).

The parties hereto now desire to amend the Partnership Agreement as described herein.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which hereby are acknowledged, the parties hereby agree as follows:

1. Capitalized terms used but not defined herein shall have the meanings given to them in the Partnership Agreement.

2. Article II of the Partnership Agreement is hereby amended by replacing “\$6,809/unit” in (ii) with “\$6,819/unit” in the definition of “Debt Service Coverage Ratio”.

3. Article II of the Partnership Agreement is hereby amended by replacing both references to “\$1,106,066” with “\$1,106,856” in the definition of “Release Date”.

4. Article II of the Partnership Agreement is hereby amended by deleting the definition of “Sponsor FHLB Loan” and replacing it with the following:

“Sponsor FHLB Loan” means the permanent loan in the amount of \$2,000,000 to be made to the Partnership by House of David in accordance with the terms set forth on **Exhibit B** attached hereto.

5. Section 4.01(o) of the Partnership Agreement is hereby amended by deleting the first five sentences in this provision and replacing them with the following:

The Tax Credits that the General Partner has projected will be available to the Partnership during the Credit Period are \$10,442,820. The Projected Credits for the Credit Period are \$10,441,779. The Historic Tax Credits that the General Partner has projected will be available to the Partnership are \$4,282,395. The Projected Historic Tax Credits are

\$4,281,965. The State Historic Tax Credits that the General Partner has projected will be available to the Partnership are \$2,641,198.

6. Section 4.01(q) of the Partnership Agreement is hereby amended by replacing “\$10,334,330” with “\$10,442,820”.

7. Section 4.01(aw) of the Partnership Agreement is hereby amended by deleting the last sentence of this provision and replacing it with the following:

The General Partner shall use its best efforts to maintain and preserve the HAP Contract throughout the Compliance Period (at rents no less than \$1,170 for 8 of the studios, \$1,200 for 22 of the studios, \$1,410 for 54 of the one-bedroom units, \$1,420 for 21 of the one-bedroom units, \$1,430 for 14 of the one-bedroom units, \$1,460 for 14 of the one-bedroom units, and \$1,870 for 5 of the two-bedroom units) and to seek out additional rental subsidies that may be available.

8. Section 4.02(m) of the Partnership Agreement is hereby amended by replacing “\$131,066” with “\$131,856”, replacing all references to “\$1,106,066” with “\$1,106,856”, and replacing “\$533,033” with “\$533,428”.

9. Section 5.01(d) of the Partnership Agreement is hereby amended by replacing “\$15,588,914” with “\$15,622,911”.

10. Section 5.01(g)(i) of the Partnership Agreement is hereby deleted and replaced with the following:

(g) Adjustment to Capital Contributions of Limited Partner

(i) Adjustments. The following calculations shall apply for purposes of determining adjustments to Capital Contributions:

(A) “Downward Capital Adjustment” shall equal the product of:

- (1) \$10,441,779 minus the Certified Credits for the Credit Period; and
- (2) \$0.945.

(B) “Late Delivery Adjustment” shall equal for calendar year 2019, the product of:

- (1) the amount, if any, by which \$987,077 exceed Actual Credits for such year; and
- (2) \$0.75.

(C) “Upward Capital Adjustment” shall equal the product of:

- (1) Certified Credits for the Credit Period (excluding any Tax Credits resulting from an increase in qualified basis under Code Section 42(f)(3)), minus \$10,441,779; and
- (2) \$0.945.

- (D) “Early Delivery Adjustment” shall equal for calendar year 2019 the product of:
 - (1) the amount, if any, by which Actual Credits for such year exceeds \$987,077; and
 - (2) \$0.40.

- (E) “Historic Downward Capital Adjustment” shall equal the product of:
 - (1) \$4,281,965 minus the Certified Historic Tax Credits, and
 - (2) \$0.90.

- (F) “Historic Upward Capital Adjustment” shall equal the product of:
 - (1) Certified Historic Tax Credits, minus \$4,281,965, and
 - (2) \$0.90.

- (G) “Historic Late Delivery Adjustment” shall equal for calendar year 2019, the product of:
 - (1) the amount, if any, by which \$856,393 exceeds Actual Historic Tax Credits for such year, and
 - (2) \$0.40.

11. Section 5.01(g)(iii) of the Partnership Agreement is hereby amended by replacing “\$976,820” with “\$987,077” and replacing “\$848,215” with “\$856,393.”

12. Section 5.01(g)(iv) of the Partnership Agreement is hereby amended by replacing “\$679,097” with “\$686,062”.

13. Section 5.01(h)(i) of the Partnership Agreement is hereby deleted in its entirety and replaced with the following:

(h) Adjustment to Capital Contributions of Limited Partner for State Tax Credits

(i) Adjustments. The following calculations shall apply for purposes of determining adjustments to Capital Contributions by the Limited Partner:

- (A) “State Historic Tax Credit Downward Capital Adjustment” shall equal the product of:
 - (1) \$2,641,198 minus the Actual State Historic Tax Credits for the State Credit Period; and
 - (2) \$0.72.

- (B) “State Historic Tax Credit Upward Capital Adjustment” shall equal the product of:
 - (1) Actual State Historic Tax Credits for the State Credit Period minus \$2,641,198; and
 - (2) \$0.72.

(C) “State Historic Tax Credit Late Delivery Adjustment” shall equal for calendar year 2019, the product of:

- (1) the amount, if any, by which \$2,641,198 exceeds Actual State Historic Tax Credits for such year, and
- (2) 20% for each year of delay.

14. Section 5.01(h)(iii) of the Partnership Agreement is hereby amended by replacing “\$2,620,750” with “\$2,641,198”.

15. Section 5.01(h)(iv) of the Partnership Agreement is hereby amended by replacing “\$94,347” with “\$95,083”.

16. Section 8.10(b) of the Partnership Agreement is hereby amended by replacing all references to “\$1,106,066” with “\$1,106,856”.

17. Section 8.11 of the Partnership Agreement is hereby amended by deleting “631,653” and replacing it with “\$103,044.”

18. Exhibit A of the Partnership Agreement is deleted in its entirety and replaced with the Exhibit A attached hereto.

19. Exhibit B of the Partnership Agreement is deleted in its entirety and replaced with the Exhibit B attached hereto.

20. Exhibit F of the Partnership Agreement is hereby amended by replacing Sections 5(i), (ii) and (iii) with the following, which is hereby incorporated into the Development Agreement:

(i) \$629,087 upon satisfaction of the conditions to the payment by the Limited Partner of its Second Capital Contribution;

(ii) \$1,056,232 upon satisfaction of the conditions to the payment by the Limited Partner of its Third Capital Contribution; and

(iii) \$514,681 upon satisfaction of the conditions to the payment of the Limited Partner of its Final Capital Contribution (of which amount \$103,044 is projected to be deferred and paid from Net Cash Flow in accordance with the paragraph below).

Notwithstanding the foregoing, if executed documents evidencing the amended Sponsor FHLB Loan are not delivered to the Limited Partner prior to the payment of the Second Capital Contribution, the Development Amount payment in (i) above shall be reduced by \$200,000. Such amount shall be paid upon delivery of the executed documents evidencing the amended Sponsor FHLB Loan and satisfaction of the conditions to the payment by the Limited Partner of its Third Capital Contribution in addition to the amount set forth above in (ii). If the Sponsor FHLB Loan is not amended prior to the payment of the Third Capital Contribution, the Developer shall be paid (a) \$233,437 upon satisfaction of the conditions to the payment by the Limited Partner of its Third

Capital Contribution and (b) \$1,537,476 upon satisfaction of the conditions to the payment of the Limited Partner of its Final Capital Contribution (of which amount \$1,125,839 is projected to be deferred and paid from Net Cash Flow in accordance with the paragraph below).

21. Exhibit J of the Partnership Agreement is hereby amended by adding the following due diligence to the post-closing list for delivery to the Limited Partner:

4. Fully executed copies of the documents evidencing the amended Sponsor FHLB Loan (increasing the amount from \$1,000,000 to \$2,000,000) (to be provided by April 15, 2019, which date may be extended with the Consent of the Limited Partner) and evidence of HUD's consent to such amendment (to be provided by Final Closing) (provided, however, receipt of such documents shall not be a condition precedent to the funding by the Limited Partner of its Second Capital Contribution).

22. Exhibit K of the Partnership Agreement is deleted in its entirety and replaced with the Exhibit K attached hereto.

23. This Amendment may be executed in counterparts, each taken together with other counterparts shall constitute one instrument, binding and enforceable against each signatory to any counterpart instrument. Any facsimile signature shall be accepted as an original if containing a copy of the original signature notwithstanding that the original has not been received.

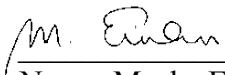
24. The Partnership Agreement, as amended by this Amendment, hereby is ratified and confirmed in all respects.

[end of page]

IN WITNESS WHEREOF, the undersigned have hereunto set their respective hands as of the date first written above.

GENERAL PARTNER:

SIR WALTER APARTMENTS GP LLC, a North Carolina limited liability company

By: 
Name: Moshe Eichler
Title: Executive Manager

DEVELOPER (solely consenting to Section 20 of this Amendment):

CRG DEVELOPERS LLC, a New York limited liability company

By: 
Name: Sam Horowitz
Title: Manager

LIMITED PARTNER:

RBC TAX CREDIT EQUITY, LLC, an Illinois
limited liability company

By: 
Name: Kenneth L. Lohiser
Title: Director

SPECIAL LIMITED PARTNER:

RBC TAX CREDIT MANAGER II, INC., a
Delaware corporation

By: 
Name: Kenneth L. Lohiser
Title: Director

CONFIRMATION OF GUARANTY

The undersigned Guarantors hereby consent to the terms of this Amendment and acknowledge that all obligations hereunder shall be included with the obligations secured by the Guaranty dated December 1, 2018 in favor of RBC Tax Credit Equity, LLC (the "Guaranty"). The Guaranty remains in full force and effect.

GUARANTORS:

SIR WALTER APARTMENTS GP LLC, a North Carolina limited liability company

By: M. Eichler
Name: Moshe Eichler
Title: Executive Manager

CAPITAL REALTY GROUP, INC., a New York for-profit entity

By: M. Eichler
Name: Moshe Eichler
Title: President

M. Eichler
MOSHE EICHLER, an individual

S. Horowitz
SAM HOROWITZ, an individual

**EXHIBIT A
TO PARTNERSHIP AGREEMENT**

PROJECTIONS

(attached)



Project Financial Projections

Sir Walter Apartments

Raleigh, NC

Printed: 1/3/2019

Revised: 01/02/19

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OPM Version 5-3, October 4, 2016

V:\Properties_Combined\Sir Walter Apartments - Raleigh, NC\OPM\OPM V5-3T Sir Walter Apartments 1-2-19 (21% TR) - Both Fed and Statev2.xlsm\TOC

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Sources and Uses Schedule

Sir Walter Apartments

Sources	Total
HUD 221(d)4	\$ 19,500,000
NOI as Source	1,400,611
City of Raleigh	3,000,000
	-
	-
	-
	-
	-
Deferred Developers Fee	103,044
	-
House of David - FHLB Funds	2,000,000
	-
	-
	-
	-
	-
	-
	-
Accrued capitalized interest during construction	110,000
	-
Grants (reduction of basis)	-
Grants (no reduction of basis)	-
GIC Income	326,800
Capital - General Partner	100
Capital RBC - Combined (LPA)	15,622,911
	-
Capital - Special Limited Partner	-
Capital RBC -	-
Total Sources	\$ 42,063,466

Capital Contributions				
Monthly Construction Draws	Various	0.00%	-	-
Partnership Closing	12/1/2018	17.24%	2,693,548	-
		0.00%	-	-
		0.00%	-	-
		0.00%	-	-
		0.00%	-	-
Final CO, Temp Cost Cert, NC HTC, 1/1/20	1/1/2020	29.74%	4,645,913	-
QO, FCC, 90x1.15, Part III, PLC, 10/1/20	10/1/2020	50.39%	7,871,813	-
		0.00%	-	-
		0.00%	-	-
		0.00%	-	-
Stabilization, 8609's, 4/1/2021	4/1/2021	2.63%	411,637	-
Total			15,622,911	

Developer Fee Payments				
	Gross Developer Fee			2,200,000
	Deferred Developer Fee	4.68%		103,044
	Cash Paid Developer fee			2,096,956
	% - Paid Fee	% - Total Fee		
Partnership Closing	12/1/2018			-
				-
				-
				-
Final CO, Temp Cost Cert,	1/1/2020	30.00%	28.59%	629,087
QO, FCC, 90x1.15, Part III,	10/1/2020	50.37%	48.01%	1,056,232
				-
				-
Stabilization, 8609's, 4/1/20	4/1/2021	19.63%	18.71%	411,637
Total				2,096,956

Uses	Total	Aggregate					Basis & Land	Comments
		Eligible Basis	Depr. Basis	Funded Expenses	Non Depreciable			
Land	\$ 1,876,800	\$ -	\$ -	\$ -	\$ 1,876,800	\$ 1,876,800		
Acquisition Building	13,923,200	13,923,200	13,923,200	-	-	13,923,200		
Subtotal	\$ 15,800,000							
Hard Costs - Const Contract	14,214,776	14,214,776	14,214,776	-	-	14,214,776		
Construction Contingency - Contract	-	-	-	-	-	-		
Construction Contingency - Owner	1,532,904	1,532,904	1,532,904	-	-	1,532,904		
Builder's Overhead & Profit	1,114,259	1,114,259	1,114,259	-	-	1,114,259		
Hard Costs - Other	70,000	70,000	70,000	-	-	70,000		
Subtotal	16,931,939							
Soft Costs	2,314,915	1,680,634	1,680,634	321,281	313,000	1,680,634		
Tax Credit Fees	240,000	-	-	240,000	-	-		
Soft Cost Contingency	100,000	50,000	50,000	50,000	-	50,000		
Subtotal	2,654,915							
Construction Loan Interest - Paid	2,114,756	880,904	880,904	1,233,852	-	880,904	Calculated	
Construction Loan Interest - Accrued	110,000	-	-	110,000	-	-	Calculated	
Subtotal	2,224,756							
Permanent Loan Fees	520,000	-	-	520,000	-	-		
Construction Loan Fees	500,000	253,000	253,000	247,000	-	253,000		
Subtotal	1,020,000							
Organization	-	-	-	-	-	-		
Syndication Costs	100,000	-	-	-	100,000	-		
Marketing and Leasing	25,000	-	-	25,000	-	-		
Rent up Expense	-	-	-	-	-	-		
Subtotal	125,000							
Developer Fee	2,200,000	2,160,000	2,160,000	-	40,000	2,160,000		
Subtotal	2,200,000							
Replacement Reserves	-	-	-	-	-	-		
Operating Reserves	1,106,856	-	-	-	1,106,856	-		
Operating Deficit Reserve	-	-	-	-	-	-		
	-	-	-	-	-	-		
	-	-	-	-	-	-		
Subtotal	1,106,856							
Total Uses	\$ 42,063,466	\$ 35,879,677	\$ 35,879,677	\$ 2,747,133	\$ 3,436,656	\$ 37,756,477		

Check Figures

Credit Calculation Schedule

Sir Walter Apartments

Low Income Housing Tax Credits

Allocation Yr:	2018	DDA/QCT	No
Type of Deal:	4%	QCT #:	
LIHTC BIN's	1		
Non-Profit set-aside		No	
		Rehabilitation	Acquisition
Tax Credit Rate %		3.32%	3.32%
Date of Rate Used		Dec-18	Dec-18
Rate Locked	Closing	Yes	Yes

	Annual	Total
LIHTC Reservation	\$ 1,044,282	\$ 10,442,820
LIHTC Projected	1,044,282	10,442,820
Lesser of Projected or Reservation	1,044,282	10,442,820
Excess Basis/(Basis Shortfall)	-	-
SF Percentage	0.00%	100.00%
Unit Percentage		100.00%
Lesser of Unit/SF		100.00%

Historic Tax Credits

Federal Credits	Yes
Reduction to Capital Account	100%
Timing of Adjustment	Year of Credit

Other Tax Credits

Reduction to Capital Account	50%
------------------------------	-----

Low Income Housing Tax Credit Calculation

Item	Rehabilitation	Acquisition
Eligible Basis	\$ 35,879,677	
Less:		
Acquisition Cost	(13,923,200)	13,923,200
Residential Historic Tax Credits	(4,282,395)	-
Grants	-	-
Other Credit's adjustment	-	-
	-	-
	-	-
Bond Cost Treatment	(143,000)	-
Developer fee ACQ	(160,000)	160,000
	17,371,082	14,083,200
DDA/QCT Adjustme:	No	100%
Eligible Basis	17,371,082	14,083,200
Basis Limitation	-	-
Total Eligible Basis	17,371,082	14,083,200
Low Income Percentage	100.00%	100.00%
Qualified LIHTC Basis	17,371,082	14,083,200
Tax Credit Percentage	3.32%	3.32%
LIHTC Calculated	1,044,282	576,720
LIHTC Reservation	1,044,282	576,720
Allowable LIHTC	1,044,282	576,720

Historic Tax Credit Calculation

Item	Federal Historic Rehab Credit		
	Residential	Commercial	Total
Depreciable Basis	\$ 35,879,677	\$ -	
Less:			
Acquisition Cost	(13,923,200)	-	
Personal Property	(241,500)	-	
Sitework	-	-	
Bldg Additions/(Demo)	-	-	
Ineligible Interest	-	-	
Other Ineligible Costs	(303,000)	-	
Grants	-	-	
Historic Tax Credit Basis	21,411,977	-	
Historic Tax Credit %	20%	20%	
Total Historic Tax Credit	\$ 4,282,395	\$ -	\$ 4,282,395
Tax Credit Delivery			
	2019	4,282,395	-
	2020	-	-
	2021	-	-
	2022	-	-

State LIHTC	No
Eligible Basis	-
Adjustments	-
Adjustments	-
Adjustments	-
Total Basis	-
Credit Percentage	0%
Tax Credits	-
State Historic	Yes
Depreciable Basis	35,879,677
Adjustments	(35,879,677)
Adjustments	-
Calc on Assumptions Tab	2,641,198
Total Basis	2,641,198
Credit Percentage	100%
Tax Credits	2,641,198
Other Credits	Type of Credit
Basis	-
Adjustments	-
Adjustments	-
Adjustments	-
Total Basis	-
Credit Percentage	0%
Tax Credits	-

Summary of Operating Partnership Benefits

Sir Walter Apartments

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Year	Equity Contribution	Projected Taxable Income (Loss)	Deduct Stressed Cash Flow 100.00%	Projected Tax Benefits 21.00%	Projected Federal Housing Tax Credits	Projected Historic Rehab Tax Credits	Projected Other Tax Credits	Projected State Tax Credits	Federal Tax Effect on State Credits Yes	Projected Total Tax Benefits	0.00% Projected Cash Flow	Total Investing L.P. Benefits
2018	\$ 2,693,548	\$ 54,551	\$ -	\$ (11,456)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (11,456)	\$ -	\$ (11,456)
2019	-	(558,142)	-	117,210	987,077	856,393	-	2,641,198	(554,652)	4,047,226	-	4,047,226
2020	12,517,726	(1,210,251)	27,746	259,979	1,044,178	856,393	-	-	-	2,160,550	-	2,160,550
2021	411,637	(815,552)	115,586	195,539	1,044,178	856,393	-	-	-	2,096,110	-	2,096,110
2022	-	(708,488)	129,583	175,995	1,044,178	856,393	-	-	-	2,076,566	-	2,076,566
2023	-	(679,827)	139,526	172,064	1,044,178	856,393	-	-	-	2,072,635	-	2,072,635
2024	-	(703,250)	149,515	179,081	1,044,178	-	-	-	-	1,223,259	-	1,223,259
2025	-	(964,088)	28,481	208,439	1,044,178	-	-	-	-	1,252,617	-	1,252,617
2026	-	(916,537)	30,292	198,834	1,044,178	-	-	-	-	1,243,012	-	1,243,012
2027	-	(881,962)	32,110	191,955	1,044,178	-	-	-	-	1,236,133	-	1,236,133
2028	-	(867,075)	33,933	189,212	1,044,178	-	-	-	-	1,233,390	-	1,233,390
2029	-	(900,493)	35,713	196,603	57,100	-	-	-	-	253,703	-	253,703
2030	-	(907,053)	37,079	198,268	-	-	-	-	-	198,268	-	198,268
2031	-	(384,481)	38,734	88,875	-	-	-	-	-	88,875	-	88,875
2032	-	40,387	40,387	-	-	-	-	-	-	-	-	-
2033	-	42,037	42,037	-	-	-	-	-	-	-	-	-
2034	-	-	-	-	-	-	-	-	-	-	-	-
2035	-	-	-	-	-	-	-	-	-	-	-	-
2036	-	-	-	-	-	-	-	-	-	-	-	-
Totals	15,622,911	(10,360,224)	880,722	2,360,598	10,441,779	4,281,965	-	2,641,198	(554,652)	19,170,888	-	19,170,888
Disposition	N/A	(100,000)	N/A	21,000	N/A	N/A	N/A	N/A	N/A	21,000	-	21,000
Totals	\$ 15,622,911	\$(10,460,224)	\$ 880,722	\$ 2,381,598	\$ 10,441,779	\$ 4,281,965	\$ -	\$ 2,641,198	\$ (554,652)	\$ 19,191,888	\$ -	\$ 19,191,888

L.P. Income (Loss) % 99.99%
L.P. Cash Flow % 99.99%
L.P. Tax Credit % 99.99%

Other and Commercial Income

Other Income

Type of Income	Category	# of Units	Monthly Rent per Unit	Monthly Gross	Annual Rent per Unit	Annual Gross	% Utilized	Annual Net	Monthly Net
Laundry/Other	Laundry	161	5.45	877	-	-	95.00%	9,998	833.17
				-	-	-	0.00%	-	-
				-	-	-	0.00%	-	-
				-	-	-	0.00%	-	-
				-	-	-	0.00%	-	-
				-	-	-	0.00%	-	-
				-	-	-	0.00%	-	-
				-	-	-	0.00%	-	-
				-	-	-	0.00%	-	-
				-	-	-	0.00%	-	-
				-	-	-	0.00%	-	-
				-	-	-	0.00%	-	-
				-	-	-	0.00%	-	-
				-	-	-	0.00%	-	-
				-	-	-	0.00%	-	-
				-	-	-	0.00%	-	-
				-	-	-	0.00%	-	-
				-	-	-	0.00%	-	-
				-	-	-	0.00%	-	-
				-	-	-	0.00%	-	-
				-	-	-	0.00%	-	-
				-	-	-	0.00%	-	-
				877		-		9,998	833.17
							Per Unit	62.10	5.17

Commercial Income

Tenant	Rentable Square Footage	Start Date	Gross Rent per Sq Ft	Landlord Expense per Sq Ft	Net Rent per Sq Ft	Annual Gross Rent	% Utilized	Annual	Monthly	Inflation
Commercial Condo	12,430	12/1/2018	-	-	-	-	90.00%	-	-	102.00%
							90.00%	-	-	102.00%
							90.00%	-	-	102.00%
							90.00%	-	-	102.00%
							90.00%	-	-	102.00%
							90.00%	-	-	102.00%
							90.00%	-	-	102.00%
							90.00%	-	-	102.00%
							0.00%	-	-	100.00%
							0.00%	-	-	100.00%
							0.00%	-	-	100.00%
	12,430					-		-	-	-

Lease up and Expenses

Sir Walter Apartments

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LEASEUP

	2018					2019				
	Non-Q		Market		Percent Leased	Non-Q		Market		Percent Leased
	LI Units	Units	Units	Units		LI Units	Units	Units	Units	
January	-	-	-	-	0.00%	139	1	-	140	86.96%
February	-	-	-	-	0.00%	139	1	-	140	86.96%
March	-	-	-	-	0.00%	139	1	-	140	86.96%
April	-	-	-	-	0.00%	139	1	-	140	86.96%
May	-	-	-	-	0.00%	157	1	-	158	98.14%
June	-	-	-	-	0.00%	157	1	-	158	98.14%
July	-	-	-	-	0.00%	157	1	-	158	98.14%
August	-	-	-	-	0.00%	157	1	-	158	98.14%
September	-	-	-	-	0.00%	157	1	-	158	98.14%
October	-	-	-	-	0.00%	157	1	-	158	98.14%
November	-	-	-	-	0.00%	157	1	-	158	98.14%
December	139	1	-	140	86.96%	160	1	-	161	100.00%
Total	<u>139</u>		<u>140</u>			<u>1,815</u>		<u>1,827</u>		

	2020					2021				
	Non-Q		Market		Percent Leased	Non-Q		Market		Percent Leased
	LI Units	Units	Units	Units		LI Units	Units	Units	Units	
January	160	1	-	161	100.00%	160	1	-	161	100.00%
February	160	1	-	161	100.00%	160	1	-	161	100.00%
March	160	1	-	161	100.00%	160	1	-	161	100.00%
April	160	1	-	161	100.00%	160	1	-	161	100.00%
May	160	1	-	161	100.00%	160	1	-	161	100.00%
June	160	1	-	161	100.00%	160	1	-	161	100.00%
July	160	1	-	161	100.00%	160	1	-	161	100.00%
August	160	1	-	161	100.00%	160	1	-	161	100.00%
September	160	1	-	161	100.00%	160	1	-	161	100.00%
October	160	1	-	161	100.00%	160	1	-	161	100.00%
November	160	1	-	161	100.00%	160	1	-	161	100.00%
December	160	1	-	161	100.00%	160	1	-	161	100.00%
Total	<u>1,920</u>		<u>1,932</u>			<u>1,920</u>		<u>1,932</u>		

OPERATING EXPENSES

Expenses:		Expense	Per Unit	Per Unit/Month
Controllable Expenses				
Administrative	Monthly	\$ 80,449	\$ 500	\$ 42
Repairs and Maintenance	Per Unit	225,355	1,400	117
Payroll	Monthly	212,326	1,319	110
Other	Monthly	30,000	186	16
Subtotal Controllable Expenses		548,130	3,405	284
Non-Controllable Expenses:				
Insurance	Monthly	55,300	343	29
Utilities	Per Unit	161,000	1,000	83
Water and Sewer	Per Unit	80,500	500	42
Supportive Services	Monthly	-	-	-
Other	Monthly	-	-	-
Real Estate Taxes	Monthly	67,426	419	35
Subtotal Non-Controllable Expenses		364,226	2,262	189
Management Fee		121,142	752	63
Total Operating Expense		1,033,498	6,419	535
Replacement Reserve		64,400	400	33
Total Expenses & R.R.		\$ 1,097,898	\$ 6,819	\$ 568
Real Estate Tax Abatement		No		
Management Fee				
Percentage of EGI		5.000%	121,142	
Min Monthly Fee		\$ -	-	
Fee / unit / month		\$ -	-	
Inflation			103.00%	
Override - Base Year		\$ -		
Replacement Reserve				
	Start Date	Per Unit	Annual	Inflation
RBC	12/1/2019	\$ 300	\$ 48,300	103.00%
Lender		400	64,400	100.00%

Projected Net Operating Income

Sir Walter Apartments

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Income																			
Gross LIHTC Rental Revenues	\$ 130,809	\$ 1,742,219	\$ 1,879,872	\$ 1,917,466	\$ 1,955,815	\$ 1,994,931	\$ 2,034,830	\$ 2,075,527	\$ 2,117,038	\$ 2,159,379	\$ 2,202,567	\$ 2,246,618	\$ 2,291,550	\$ 2,337,381	\$ 2,384,129	\$ 2,431,812	\$ 2,480,448	\$ 2,530,057	\$ 2,580,658
Gross Non-Qualified Rental Revenues	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gross Market Rental Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Less: Vacancies	(6,898)	(91,868)	(99,127)	(101,109)	(103,131)	(105,194)	(107,298)	(109,444)	(111,633)	(113,865)	(116,143)	(118,465)	(120,835)	(123,251)	(125,717)	(128,231)	(130,795)	(133,411)	(136,080)
Net Rental Revenues	123,911	1,650,351	1,780,745	1,816,357	1,852,684	1,889,737	1,927,532	1,966,083	2,005,405	2,045,514	2,086,424	2,128,153	2,170,715	2,214,130	2,258,412	2,303,581	2,349,653	2,396,646	2,444,578
Rental Subsidy (Net)	50,767	676,165	729,583	744,175	759,058	774,239	789,725	805,519	821,629	838,062	854,822	871,919	889,357	907,144	925,287	943,793	962,668	981,922	1,001,560
Other Income	724	9,628	10,394	10,607	10,819	11,035	11,256	11,481	11,711	11,945	12,184	12,428	12,677	12,931	13,190	13,454	13,723	13,997	14,277
Commercial Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Const. Period HAP Rent Adj.	-	(537,000)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Effective Gross Income	175,402	1,799,144	2,520,722	2,571,139	2,622,561	2,675,011	2,728,513	2,783,083	2,838,745	2,895,521	2,953,430	3,012,500	3,072,749	3,134,205	3,196,889	3,260,828	3,326,044	3,392,565	3,460,415
Controllable Operating Expenses																			
Administrative	6,704	82,863	85,348	87,909	90,546	93,262	96,060	98,942	101,910	104,967	108,116	111,359	114,700	118,141	121,685	125,336	129,096	132,969	136,958
Repairs and Maintenance	16,333	219,551	239,143	246,311	253,700	261,311	269,150	277,225	285,542	294,108	302,931	312,019	321,380	331,021	340,952	351,181	361,716	372,567	383,744
Payroll	17,694	218,696	225,257	232,014	238,975	246,144	253,528	261,134	268,968	277,037	285,348	293,908	302,725	311,807	321,161	330,796	340,720	350,942	361,470
Other	2,500	30,900	31,827	32,782	33,765	34,778	35,821	36,896	38,003	39,143	40,317	41,527	42,773	44,056	45,378	46,739	48,141	49,585	51,073
Controllable Expenses	43,231	552,010	581,575	599,016	616,986	635,495	654,559	674,197	694,423	715,255	736,712	758,813	781,578	805,025	829,176	854,052	879,673	906,063	933,245
Non-Controllable Operating Expenses																			
Insurance	4,608	56,959	58,668	60,428	62,241	64,108	66,031	68,012	70,052	72,154	74,319	76,549	78,845	81,210	83,646	86,155	88,740	91,402	94,144
Utilities	11,667	156,811	170,789	175,909	181,186	186,622	192,221	197,988	203,928	210,046	216,347	222,837	229,522	236,408	243,500	250,805	258,329	266,079	274,061
Water and Sewer	5,833	78,415	85,414	87,983	90,623	93,342	96,142	99,026	101,997	105,057	108,209	111,455	114,799	118,243	121,790	125,444	129,207	133,083	137,075
Supportive Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Real Estate Taxes	5,619	69,449	71,532	73,678	75,889	78,166	80,511	82,926	85,414	87,976	90,615	93,333	96,133	99,017	101,988	105,048	108,199	111,445	114,788
Abatement of Real Estate Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-Controllable Expenses	27,727	361,634	386,403	397,998	409,939	422,238	434,905	447,952	461,391	475,233	489,490	504,174	519,299	534,878	550,924	567,452	584,475	602,009	620,068
Management Fee	8,770	89,957	126,036	128,557	131,128	133,751	136,426	139,154	141,937	144,776	147,672	150,625	153,637	156,710	159,844	163,041	166,302	169,628	173,021
Subtotal Operating Expenses	79,728	1,003,601	1,094,014	1,125,571	1,158,053	1,191,484	1,225,890	1,261,303	1,297,751	1,335,264	1,373,874	1,413,612	1,454,514	1,496,613	1,539,944	1,584,545	1,630,450	1,677,700	1,726,334
Commercial Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
NOI Before Replacement Reserves	95,674	795,543	1,426,708	1,445,568	1,464,508	1,483,527	1,502,623	1,521,780	1,540,994	1,560,257	1,579,556	1,598,888	1,618,235	1,637,592	1,656,945	1,676,283	1,695,594	1,714,865	1,734,081
Replacement Reserves	-	5,367	64,400	64,400	64,400	64,400	64,400	64,400	64,400	64,400	64,400	64,911	66,858	68,864	70,930	73,058	75,250	77,508	79,833
Net Operating Income	95,674	790,176	1,362,308	1,381,168	1,400,108	1,419,127	1,438,223	1,457,380	1,476,594	1,495,857	1,515,156	1,533,977	1,551,377	1,568,728	1,586,015	1,603,225	1,620,344	1,637,357	1,654,248

Other Income

	Monthly	Annual	LIHTC	Market	Controllable Expenses	Convert LIHTC to AMI %
Garage \ Carport	-	-	Inflation 102.00%	Inflation 102.00%	Administrative 103.00%	80%
Parking	-	-	Vacancy 5.27%	Vacancy 0.00%	Repairs and Maintenance 103.00%	First day of adjustment
Storage	-	-			Payroll 103.00%	Last day of adjustment
Laundry	833	9,998	Non-Qualified / Manager	Other Income	Other 103.00%	Vacancy
Washer \ Dryer Rental	-	-	Inflation 102.00%	Inflation 103.00%		Convert all units to Market
Fees \ Charges	-	-	Vacancy 0.00%			First day of adjustment
Other	-	-		True Debt Analysis "TDA"		Last day of adjustment 1/1/2071
			Subsidy	Inflation 103.00%	Insurance 103.00%	Vacancy
Total	833	9,998	Inflation 102.00%	Vacancy 5.0%	Utilities 103.00%	
Per Unit	5.17	62.10	Vacancy 5.00%	Analysis Yr 2060	Water and Sewer 103.00%	
			Last Day 1/1/2070	Model Yr 2070	Supportive Services 103.00%	
				Maturity Yr 2060	Other 103.00%	
					Real Estate Taxes 103.00%	

Commercial Income

Include revenue in calculation of Management Fee **Yes**
 Inflation percentage for commercial expenses **103.00%**

Depreciation & Amortization Schedule

Sir Walter Apartments

		Life	Total	Percent Placed In Service						Month Placed In Service			Depreciation of Replacement Reserves			
				2018	Basis	2019	Basis	2020	Basis	2018	2019	2020	Year	Amount		
Total Depreciable Basis	\$35,879,677	Residential Real Property	30.0	17,169,538	0.00%	-	100.00%	17,169,538	0.00%	-	8	8	1	Capitalized bal every 5 years	Yes	
Less: Historic Credits	(4,282,395)	Residential Real Property	30.0	-	0.00%	-	0.00%	-	100.00%	-	8	8	1			
Grants	-	Residential Real Property	30.0	-	0.00%	-	0.00%	-	100.00%	-	8	8	1			
		Residential Real Property	30.0	-	0.00%	-	0.00%	-	100.00%	-	8	8	1			
Other Credits adjustment		Building Acquisition	30.0	14,083,200	100.00%	14,083,200	0.00%	-	0.00%	-	12	8	1	Capitalized in 2024	262,967	
	31,597,282	150% Site Work	15	-	0.00%	-	0.00%	-	100.00%	-	HY / MQ	0.500	0.500	0.500	Capitalized in 2029	322,000
Cash basis accrued development costs	103,044	150% Site Work	15	-	0.00%	-	0.00%	-	100.00%	-	HY / MQ	0.500	0.500	0.500	Capitalized in 2034	344,621
Net Depreciable Basis	<u>\$31,494,238</u>	200% Personal Property	5	-	0.00%	-	0.00%	-	100.00%	-	HY / MQ	0.500	0.500	0.500		
		200% Personal Property	5	-	0.00%	-	0.00%	-	100.00%	-	HY / MQ	0.500	0.500	0.500		
		200% Personal Property	5	241,500	0.00%	-	100.00%	241,500	0.00%	-	HY / MQ	0.500	0.500	0.500		
		200% Personal Property	5	-	0.00%	-	0.00%	-	100.00%	-	HY / MQ	0.500	0.500	0.500		
				<u>31,494,238</u>		<u>14,083,200</u>		<u>17,411,038</u>								

Depreciation	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	
Placed in Service 2018																				
Building	19,560	469,440	469,440	469,440	469,440	469,440	469,440	469,440	469,440	469,440	469,440	469,440	469,440	469,440	469,440	469,440	469,440	469,440	469,440	
Site Work (Bonus)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Personal Property (Bonus)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Placed in Service 2019																				
Building	-	214,619	572,318	572,318	572,318	572,318	572,318	572,318	572,318	572,318	572,318	572,318	572,318	572,318	572,318	572,318	572,318	572,318	572,318	
Site Work (Bonus)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Personal Property (Bonus)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Placed in Service 2020																				
Building	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Site Work (Bonus)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Personal Property (Bonus)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Deferred depreciation	-	-	7,267	4,038	3,435	3,435	3,435	3,435	3,435	3,435	3,435	3,435	3,435	3,435	3,435	3,435	3,435	3,435	3,435	
Bonus depreciation	-	241,500	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Replacement Reserv 2024	-	-	-	-	-	-	52,593	84,149	50,490	30,294	30,294	15,147	-	-	-	-	-	-	-	
Replacement Reserv 2029	-	-	-	-	-	-	-	-	-	-	-	64,400	103,040	61,824	37,094	37,094	18,548	-	-	
Replacement Reserv 2034	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	68,924	110,279	66,167	
Total Depreciation Calculated	19,560	925,559	1,049,025	1,045,796	1,045,193	1,045,193	1,097,786	1,129,342	1,095,683	1,075,487	1,075,487	1,124,740	1,148,233	1,107,017	1,082,287	1,082,287	1,132,665	1,155,472	1,111,360	
Depreciation Override	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Depreciation Used	Calculated	\$ 19,560	\$ 925,559	\$ 1,049,025	\$ 1,045,796	\$ 1,045,193	\$ 1,045,193	\$ 1,097,786	\$ 1,129,342	\$ 1,095,683	\$ 1,075,487	\$ 1,075,487	\$ 1,124,740	\$ 1,148,233	\$ 1,107,017	\$ 1,082,287	\$ 1,082,287	\$ 1,132,665	\$ 1,155,472	\$ 1,111,360

	Amort. Start Date	Amort. Period	2018 - 2036																			
			2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	
Tax Credit Fees	1/1/2019	180	\$ -	\$ 16,000	\$ 16,000	\$ 16,000	\$ 16,000	\$ 16,000	\$ 16,000	\$ 16,000	\$ 16,000	\$ 16,000	\$ 16,000	\$ 16,000	\$ 16,000	\$ 16,000	\$ 16,000	\$ 16,000	\$ 16,000	\$ -	\$ -	\$ -
Permanent Loan Fees	6/1/2020	480	-	-	7,583	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000
Construction Loan Fees	12/1/2019	19	-	13,000	156,000	78,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Organization			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Marketing and Leasing	12/1/2019	1	-	25,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rent up Expense	12/1/2019	10	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Construction Loan Interest - Calc			8,433	214,369	684,250	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Amortized Soft Costs	12/1/2019	180	-	1,785	21,419	21,419	21,419	21,419	21,419	21,419	21,419	21,419	21,419	21,419	21,419	21,419	21,419	21,419	21,419	19,630	-	-
Construction Period MIP	12/1/2018	24	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Amortized Soft Cost Contingency	12/1/2019	180	-	278	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,060	-	-
Total Funded Expenses			\$ 8,433	\$ 270,432	\$ 888,585	\$ 131,752	\$ 53,752	\$ 53,752	\$ 53,752	\$ 53,752	\$ 53,752	\$ 53,752	\$ 53,752	\$ 53,752	\$ 53,752	\$ 53,752	\$ 53,752	\$ 53,752	\$ 53,752	\$ 35,690	\$ 13,000	\$ 13,000

Construction Interest Schedule

Sir Walter Apartments

Month	FINAL CO																					
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
	12/1/2018	1/1/2019	2/1/2019	3/1/2019	4/1/2019	5/1/2019	6/1/2019	7/1/2019	8/1/2019	9/1/2019	10/1/2019	11/1/2019	12/1/2019	1/1/2020	2/1/2020	3/1/2020	4/1/2020	5/1/2020	6/1/2020	7/1/2020	8/1/2020	9/1/2020
Outstanding Loan Balance																						
TE Bonds-A cash collateralized	\$ 9,600,000	\$ 9,600,000	\$ 9,600,000	\$ 9,600,000	\$ 9,600,000	\$ 9,600,000	\$ 9,600,000	\$ 9,600,000	\$ 9,600,000	\$ 9,600,000	\$ 9,600,000	\$ 9,600,000	\$ 9,600,000	\$ 9,600,000	\$ 9,600,000	\$ 9,600,000	\$ 9,600,000	\$ 9,600,000	\$ 9,600,000	\$ 9,600,000	\$ 9,600,000	
TE Bonds-B sponsor purchase	51,000	51,000	51,000	51,000	435,897	1,656,917	2,884,877	4,196,455	4,515,425	5,836,823	7,165,662	8,719,479	9,900,000	6,900,000	6,900,000	6,900,000	6,900,000	6,900,000	6,900,000	6,900,000	6,900,000	
HUD 221(d)4	16,500,000	16,500,000	16,717,500	16,935,000	17,152,500	17,370,000	17,587,500	17,805,000	18,022,500	18,240,000	18,457,500	18,457,500	18,810,336	19,500,000	19,500,000	19,500,000	19,500,000	19,500,000	19,500,000	19,500,000	19,500,000	
RBC Loan	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
HUD 221(d)4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
NOI as Source	86,107	135,037	183,967	232,897	281,827	346,532	411,237	475,942	540,647	605,352	670,057	734,762	797,266	899,439	1,001,612	1,103,785	1,205,958	1,308,131	1,326,627	1,345,123	1,363,619	
City of Raleigh	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	
Deferred Developers Fee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
House of David - FHLB Funds	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	

Interest	Rate																							
TE Bonds-A cash collateralized	2.150%	Paid	\$ 17,200	\$ 17,200	\$ 17,200	\$ 17,200	\$ 17,200	\$ 17,200	\$ 17,200	\$ 17,200	\$ 17,200	\$ 17,200	\$ 17,200	\$ 17,200	\$ 17,200	\$ 17,200	\$ 17,200	\$ 17,200	\$ 17,200	\$ 17,200	\$ 17,200			
TE Bonds-B sponsor purchase	6.000%	Paid	255	255	255	255	2,179	8,285	14,424	20,982	22,577	29,184	35,828	43,597	49,500	34,500	34,500	34,500	34,500	34,500	34,500			
HUD 221(d)4	4.600%	Paid	63,250	63,250	64,084	64,918	65,751	66,585	67,419	68,253	69,086	69,920	70,754	70,754	72,106	74,750	74,750	74,750	74,750	74,750	74,750			
	0.000%	Paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
	0.000%	Paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
RBC Loan	0.000%	Paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
HUD 221(d)4	4.600%	Perm - only	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
NOI as Source	0.000%	Perm - only	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
City of Raleigh	1.000%	Accrued	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	-	-	-	-	-	-	-	-			
	0.000%	Perm - only	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
	0.000%	Perm - only	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
	0.000%	Perm - only	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
	0.000%	Perm - only	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
	0.000%	Perm - only	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
	0.000%	Perm - only	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
	0.000%	Perm - only	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Deferred Developers Fee	5.000%	Perm - only	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
	0.000%	Perm - only	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
House of David - FHLB Funds	6.000%	Accrued	5,000	5,000	5,000	5,000	5,000	5,000	5,000	10,000	10,000	10,000	10,000	-	-	-	-	-	-	-	-			
	0.000%	Accrued	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
	0.000%	Perm - only	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
	0.000%	Perm - only	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
	0.000%	Perm - only	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
	0.000%	Perm - only	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
	0.000%	Perm - only	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
	0.000%	Perm - only	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
	0.000%	Perm - only	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Total Interest			88,205	88,205	89,039	89,873	92,630	99,570	106,543	113,935	121,363	128,804	136,282	144,051	138,806	126,450	126,450	126,450	126,450	126,450	51,700	34,500	34,500	34,500

Construction Escrow																						
Balance			\$ 9,600,000	\$ 9,600,000	\$ 9,600,000	\$ 9,600,000	\$ 9,600,000	\$ 9,600,000	\$ 9,600,000	\$ 9,600,000	\$ 9,600,000	\$ 9,600,000	\$ 9,600,000	\$ 9,600,000	\$ 9,600,000	\$ 9,600,000	\$ 9,600,000	\$ 9,600,000	\$ 9,600,000	\$ 9,600,000	\$ 9,600,000	
Interest Expense	0.000%	Paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Interest Earnings	2.150%	Paid	17,200	17,200	17,200	17,200	17,200	17,200	17,200	17,200	17,200	17,200	17,200	17,200	17,200	17,200	17,200	17,200	17,200	17,200	17,200	
Units Placed in Service - Const / Rehab	266ii		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	
Units Placed in Service - Acquisition	266ii		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%	100.00%	100.00%	100.00%	100.00%	
Capitalized Interest - Const / Rehab	Paid		55,072	55,072	55,906	56,740	59,497	66,437	73,410	80,802	83,230	90,671	98,149	105,918	-	-	-	-	-	-	-	
Capitalized Interest - Const / Rehab	Accrued		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Expensed Interest - Const / Rehab	Paid		25,633	25,633	25,633	25,633	25,633	25,633	25,633	25,633	25,633	25,633	25,633	25,633	138,806	126,450	126,450	126,450	126,450	126,450	51,700	
Expensed Interest - Const / Rehab	Accrued		7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	12,500	12,500	12,500	12,500	-	-	-	-	-	-	-	

	Total	Capitalized	Expense	GIC Income	Capitalized Paid	Capitalized Accrued	Expense Paid	Expense Accrued
2018	88,205	55,072	33,133	17,200	55,072	-	25,633	7,500
2019	1,349,101	825,832	523,269	206,400	825,832	-	420,769	102,500
2020	787,450	-	787,450	103,200	-	-	787,450	-
2021	-	-	-	-	-	-	-	-
2022	-	-	-	-	-	-	-	-
	\$ 2,224,756	\$ 880,904	\$ 1,343,852	\$ 326,800	\$ 880,904	\$ -	\$ 1,233,852	\$ 110,000

**EXHIBIT B
TO PARTNERSHIP AGREEMENT**

SUMMARY OF PROJECT LOAN TERMS

Construction Loan (A Bonds)

Lender: Housing Authority of the City of Raleigh, North Carolina
Type: Construction
Source: Proceeds from the sale of the Tax Exempt Bonds
Amount: \$9,600,000
Summary based on: Loan Documents
Closed at or prior to Initial Closing: Yes
Interest Rate: Fixed Interest Rate of 2.150% for the first 18 months, and thereafter the remarketing rate
Payments anticipated to commence: Initial Closing
Payment Amount: Monthly interest only payments due during construction
Maturity Date: 30 months
Non-recourse to: N/A - Recourse
Collateral: Cash collateralized

Bridge Loan (B Bonds)

Lender: Sir Walter Apartments CRG GP LLC
Type: Construction
Amount: \$9,900,000
Summary based on: Loan Documents
Closed at or prior to Initial Closing: Yes
Interest Rate: Fixed Interest Rate of 6%
Payments anticipated to commence: Initial Closing
Payment Amount: Monthly interest only payments due during construction
Maturity Date: 24 months
Non-recourse to: N/A - Recourse
Collateral: N/A

First Mortgage Loan

Lender: Gershman Investment Corp.

Source: HUD 221(d)(4)
Type: Construction/Permanent
Amount: \$19,500,000
Summary based on: Loan Documents
Closed at or prior to Initial Closing: Yes
Interest Rate: Fixed Interest Rate of 4.60% (plus 25 bps of mortgage insurance premiums)
Amortization: 40 years
Payments anticipated to commence: June 1, 2020
Hard Payment Amount: \$1,067,064 (plus mortgage insurance premiums) annually based on Projections
Maturity Date: 40 years from Final Endorsement
Requirements for Conversion/Final Endorsement: A. Repayment of Bond Loan
B. 90% physical occupancy for 3 consecutive calendar months
C. DSC ratio of 1.15 to 1.00 for 3 consecutive calendar months
Collateral: First Mortgage on Project during construction and after conversion

City Loan

Lender: City of Raleigh
Source: City funds
Type: Permanent
Amount: \$3,000,000
Summary based on: Loan Documents
Closed at or prior to Initial Closing: Yes
Interest Rate: Fixed Interest Rate of 1.00% compounded annually
Amortization: N/A
Payments anticipated to commence: October 1, 2020
Soft Payment Amount: Accrued interest only (provided, in no event shall such payment exceed 75% of Net Cash Flow for the previous year)
Maturity Date: 40 years from Final Closing
Non-recourse to: All Partners
Collateral: Second Mortgage on Project after conversion

Sponsor FHLB Loan

Lender:	House of David Preservation, Inc.
Source:	Federal Home Loan Bank
Type:	Permanent
Amount:	\$2,000,000
Summary based on:	Loan Documents
Closed at or prior to Initial Closing:	Yes
Interest Rate:	Fixed Interest Rate of 6.00%
Amortization:	N/A
Payments anticipated to commence:	October 1, 2020
Soft Payment Amount:	Payments of accrued interest and unpaid principal to the extent of 50% of available Net Cash Flow until December 31, 2024, and thereafter, 10% of available Net Cash Flow
Maturity Date:	40 years from Final Closing
Non-recourse to:	All Partners
Requirements for Funding:	Initial Closing
Collateral:	Third mortgage on Project

**EXHIBIT K
TO PARTNERSHIP AGREEMENT**

CAPITAL CONTRIBUTIONS

I. First Capital Contribution

The First Capital Contribution in the amount of \$2,693,548 (20.00% of the Limited Partner's total Capital Contributions relating to the Federal Tax Credits and Historic Tax Credits) shall be paid by the Limited Partner on the date this Agreement is executed, and the Limited Partner shall have received documentation to satisfy its due diligence requirements.

II. Second Capital Contribution

The Second Capital Contribution in the amount of \$4,645,913 (\$2,744,250 of which relates to the Federal Tax Credits and Historic Tax Credits and \$1,901,663 of which relates to the State Historic Tax Credits) shall be paid on the later of January 1, 2020 or 10 Business Days after the occurrence and satisfaction of the following conditions precedent, as determined by the Limited Partner.

<u>Required Delivery</u>
1. Evidence of Substantial Completion as noted below:
(i) AIA G704 issued by the Architect and executed by all appropriate parties
(ii) satisfaction or waiver of the physical inspection of the Project by the Special Limited Partner
(iii) delivery and installation of all necessary and appropriate fixtures, equipment and personal property
2. Final, unconditional certificates of occupancy for 100% of the units, if applicable
3. Receipt of Final Construction Documents as noted below:
(i) updated and recertified as-built ALTA/NSPS standards survey which shall include the metes and bounds legal description of the respective property on the face of each survey
(ii) As-Built Plans and Specifications
(iii) any permits and license for the operation of the Project (other than final certificates of occupancy if applicable, which are addressed above)
(iv) final sworn statement or affidavit of final construction cost
(v) copies of any change orders not previously

	delivered to the Limited Partner
	(vi) list of all warranties and maintenance agreements
	(vii) required insurance certificates
	(viii) evidence of completion of required remediation
	(ix) final soils report, if applicable
	(x) receipt of asbestos containing materials abatement documentation in form and substance satisfactory to the Limited Partner
	(xi) receipt of lead based paint abatement documentation in form and substance satisfactory to the Limited Partner
4.	Payment to Contractor (subject to holdback for punch list items) as evidenced by the Architect's Certificate for Payment Form AIA G702 and AIA G703
5.	Conditional lien waivers
6.	Down-dated Title Policy showing no new liens and including such additional endorsements as may be required by the Limited Partner dated within 30 days of funding of this Second Capital Contribution
7.	The Limited Partner shall have received a draft cost certification for the Project (which may be internally prepared) accompanied by a General Partner certification and Architect certification that the Project was completed pursuant to the National Park Service Part 2
8.	Evidence of submission of all requisite materials to the Project State for issuance of the State Historic Tax Credit Certificate and that the State Historic Preservation Office has approved and forwarded the Part 3 to the National Park Service, including, without limitation, receipt of a certification by the Architect that the rehabilitation was completed in accordance with the Plans and Specifications approved by the Limited Partner and in accordance with the requirements of the National Park Service
9.	Receipt of an updated certified survey map reflecting the Condominium Unit
10.	General Partner Certificate in the form attached hereto as Exhibit D.
11.	Satisfaction of all unsatisfied conditions to all prior Capital Contributions
12.	Review and approval of all documents and/or satisfaction of the conditions precedent as set forth in the post-closing due diligence checklist attached to the Agreement as Exhibit J

- | |
|---|
| 13. Such additional documentation as the as the Limited Partner reasonably determines are reasonably necessary to clarify any matter disclosed by the documents described above or to verify the accuracy of any representation, warranty or covenant set forth herein. |
|---|

III. Third Capital Contribution

The Third Capital Contribution in the amount of \$7,871,813 shall be paid by the Limited Partner on the later of October 1, 2020 or 10 Business Days after the occurrence and satisfaction of the following conditions precedent, as determined by the Limited Partner.

<u>Required Delivery</u>
1. 90% physical occupancy for 90 days
2. 100% Qualified Occupancy evidenced by submission to the Limited Partner of certified rent rolls and tenant income certification documents
3. Achievement of Final Closing
4. Final lien waivers
5. Evidence of completion of punch-list items and release to contractor of any hold-back
6. Receipt of an audited cost certification for the Project prepared by the Accountants
7. The Title Company shall have issued a final “date down” endorsement to the Title Policy extending the date of the Title Policy through the date of final funding of the Project Loans and this Third Capital Contribution and showing no exceptions to title other than those exceptions reflected on the Title Policy as of Initial Closing and other exceptions as may be acceptable to the Limited Partner
8. Executed and Recorded Extended Use Agreement
9. Part 3 Approval by the National Park Service
10. Receipt of the State Historic Tax Credit Certificate
11. Achievement of a 1.15 to 1.0 Debt Service Coverage Ratio for 90 days
12. Evidence that the Operating Reserve has been initially funded (which may be funded from the proceeds of the Third Capital Contribution)
13. General Partner Certificate in the form attached hereto as Exhibit D.
14. Satisfaction of all unsatisfied conditions to all prior Capital Contributions

15. Review and approval of all documents and/or satisfaction of the conditions precedent as set forth in the post-closing due diligence checklist attached to the Agreement as Exhibit J
16. Such additional documentation as the as the Limited Partner reasonably determines are reasonably necessary to clarify any matter disclosed by the documents described above or to verify the accuracy of any representation, warranty or covenant set forth herein.

IV. Fourth Capital Contribution

The Fourth Capital Contribution in the amount of \$411,637 shall be paid by the Limited Partner on the later of April 1, 2021, or 10 Business Days after the occurrence and satisfaction of the following conditions precedent, as determined by the Limited Partner.

<u>Required Delivery</u>
1. Achievement of Stabilization Date
2. IRS Form(s) 8609, for the entire Project
3. General Partner Certificate in the form attached hereto as Exhibit D ;
4. Satisfaction of all unsatisfied conditions to all prior Capital Contribution;
5. Review and approval of all documents and/or satisfaction of the conditions precedent as set forth in the post-closing due diligence checklist attached to the Agreement as Exhibit J ; and
6. Such additional documentation as the as the Limited Partner reasonably determines are reasonably necessary to clarify any matter disclosed by the documents described above or to verify the accuracy of any representation, warranty or covenant set forth herein.

Q

Documentation of
Rental Assistance, Tax
Abatement and/or
Existing HUD/RD



U. S. Department of Housing & Urban Development

Richmond Field Office
600 E. Broad Street, 3rd Floor
Richmond, VA 23219
1-800-842-2610

June 6, 2014

Ms. Valerie Fulke
Divisional Manager
Main Street Realty, Inc.
1553 E. Main Street
Richmond, VA 23219

Dear Ms. Fulke:

SUBJECT: Section 8 Housing Assistance Payments Contract
Shockoe Hill Elderly I - VA36H027238

We have executed the above referenced Section 8 Housing Assistance Payments (HAP) Renewal Contract for the period June 2, 2014 to June 1, 2034. The contract reflects funding commitment through June 30, 2034.

Enclosed is a copy of the executed HAP contract for retention in your files. If you have any questions please contact Denise Greene, Project Manager at 804-822-4851.

Sincerely,

A handwritten signature in blue ink, appearing to read "Uche A. Oluku".

Uche A. Oluku
Director
Multifamily Program Center

Enclosure

NOTIFICATION OF SECTION 8 CONTRACT FUNDING

(X)Renewal ()Amend Rent/BA Only

Section 8 Contract No: VA36H027243 Expires on: 06/01/2014
Owner Name: SHOCKOE HILL ASSOC L.P.
Project Name: Shockoe Hill Elderly I
Project Location: 210 Hospital St. RICHMOND CITY, VA 23219-1139
FHA Project Number: _____

FUNDING

BUDGET AUTHORITY INCREASE: \$793,200.00
Contract/Amendment Effective Date: 06/02/2014 Expiration Date: 06/01/2034

For HUD Use Only
VA36H027243-14I PBR \$793,200.00

**HUD Notice to Owner executed by:
U.S. DEPARTMENT OF HOUSING AND URBAN
DEVELOPMENT**

By: 
(Signature)
Uche Oluku
(Printed Name)
MF Housing Director
(Official Title)
6/4/2014
(Date)

NOTIFICATION OF SECTION 8 GROSS RENTS

**IDENTIFICATION OF UNITS (CONTRACT UNITS) BY SIZE
AND APPLICABLE CONTRACT RENTS**

Section 8 Number: VA36H027243

Rent Effective Date: 07/01/2014

Project Number:

Number of Contract Units	Number of Bedrooms	Contract Rent	Utility Allowance	Gross Rent
41	0	\$780.00	\$0.00	\$780.00
72	1	\$800.00	\$0.00	\$800.00

SIGNATURES

OWNER

Contract Administrator
United States of America
Department of Housing and
Urban Development (HUD)



(Signature)

Uche Oluku


(Printed Name)

MF Housing Director

(Official Title)

6/6/2014

(Date)



(Signature)

David S. White

(Printed Name)

Manager of G.P.

(Official Title)

6.6.14

(Date)

NOTE: Amend rents are affected by Contract Administrator notice to the Owner on Revised Exhibit A to specify adjusted contract rent amounts in accordance with Section 6b of the Renewal Contract.

Owner/Agent signature on this Notification is confirmation to the Contract Administrator that revised rents have been received.

U.S. Department of Housing and Urban Development

Office of Housing

Project-based Section 8

HOUSING ASSISTANCE PAYMENTS

BASIC RENEWAL CONTRACT

MULTI-YEAR TERM

PREPARATION OF CONTRACT

Reference numbers in this form refer to notes at the end of the contract text.
These endnotes are instructions for preparation of the Basic Renewal Contract.
The instructions are not part of the Renewal Contract.

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U.S. Department of Housing and Urban Development
Office of Housing

Project-based Section 8

HOUSING ASSISTANCE PAYMENTS

BASIC RENEWAL CONTRACT ¹

MULTI-YEAR TERM

1 CONTRACT INFORMATION ²

PROJECT

Section 8 Project Number VA36H027243

Section 8 Project Number of Expiring Contract

FHA Project Number(if applicable)

Project Name Shockoe Hill Elderly I

Project Description ³
210 Hospital St. RICHMOND CITY, VA 23219-1139

TYPE OF RENEWAL

Check this box for a project renewed under Section 524(a) of MAHRA (not including a Mark-Up-To-Market renewal).

Check this box for a project renewed at exception rents under Section 524(b)(1) of MAHRA.

PARTIES TO RENEWAL CONTRACT

Name of Contract Administrator⁴

U.S. Department of Housing and Urban Development

Address of Contract Administrator

600 East Broad Street

3rd Floor

Richmond, Virginia 23219

Name of Owner⁵

SHOCKOE HILL ASSOC L.P.

Address of Owner

1559 E Main St

Richmond, VA 23223

2 TERM AND FUNDING OF RENEWAL CONTRACT

a The Renewal Contract begins on 06/02/2014⁶
and shall run for a period of 20⁷ years.

b Execution of the Renewal Contract is an obligation by HUD of
\$793,200.00⁸, an amount sufficient to
provide housing assistance payments for approximately 12⁹
months of the first annual increment of the Renewal Contract term.

- c HUD will provide additional funding for the remainder of the first annual increment and for subsequent annual increments, including for any remainder of such subsequent annual increments, subject to the availability of sufficient appropriations. When such appropriations are available, HUD will obligate additional funding and provide the Owner written notification of (i) the amount of such additional funding, and (ii) the approximate period of time within the Renewal Contract term to which it will be applied.

3 DEFINITIONS

ACC. Annual contributions contract.

Anniversary. The annual recurrence of the date of the first day of the term of the Renewal Contract.

Contract rent. The total monthly rent to owner for a contract unit, including the tenant rent (the portion of rent to owner paid by the assisted family).

Contract units. The units in the Project which are identified in Exhibit A by size and applicable contract rents.

Fifth year anniversary. The Renewal Contract annual anniversary that falls at expiration of each 5-year period of the Renewal Contract term.

Fifth year comparability adjustment. An adjustment of contract rents by the contract administrator at the Fifth Year Anniversary. The contract rent for each unit size is set at comparable rent as shown by comparability analysis.

HAP contract. A housing assistance payments contract between the Contract Administrator and the Owner.

HUD. The United States Department of Housing and Urban Development.

HUD requirements. HUD regulations and other requirements, including changes in HUD regulations and other requirements during the term of the Renewal Contract.

MAHRA. The Multifamily Assisted Housing Reform and Affordability Act of 1997 (Title V of Public Law No.105-65, October 27, 1997, 111 Stat. 1384), as amended.

Mid-term comparability adjustment. An adjustment of contract rents by the contract administrator within each 5-year period of the Renewal Contract term (in addition to the comparability analysis and adjustment at the Fifth Year Anniversary). The contract rent for each unit size is set at comparable rent as shown by comparability analysis.

OCAF. An operating cost adjustment factor established by HUD.

PHA. Public housing agency (as defined and qualified in accordance with the United States Housing Act of 1937. 42 U.S.C. 1437 et seq.).

Project. The housing described in section 1 of the Renewal Contract.

Renewal Contract. This contract, including applicable provisions of the Expiring Contract (as determined in accordance with section 5 of the Renewal Contract).

Section 8. Section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f).

4 RENEWAL CONTRACT

a Parties

- (1)** The Renewal Contract is a housing assistance payments contract ("HAP Contract") between the Contract Administrator and the Owner of the Project (see section 1).
- (2)** If HUD is the Contract Administrator, HUD may assign the Renewal Contract to a Public Housing Agency ("PHA") for the purpose of PHA administration of the Renewal Contract (during the term of the annual contributions contract ("ACC") between HUD and the PHA). Notwithstanding such assignment, HUD shall remain a party to the provisions of the Renewal Contract that specify HUD's role pursuant to the Renewal Contract, including such provisions of Section 9 (HUD requirements), Section 10 (statutory changes during term) and Section 11 (PHA default), of the Renewal Contract.

b Statutory authority

The Renewal Contract is entered pursuant to Section 8 of the United States Housing Act of 1937 (42 U.S.C 1437f), and Section 524 of MAHRA.

c Expiring Contract

Previously, the Contract Administrator and the Owner had entered into a HAP Contract ("expiring contract") to make Section 8 housing assistance payments to the Owner for eligible families living in the Project. The term of the expiring contract will expire prior to the beginning of the term of the Renewal Contract.

d Purpose of Renewal Contract

- (1) The purpose of the Renewal Contract is to renew the expiring contract for an additional term. During the term of the Renewal Contract, the Contract Administrator shall make housing assistance payments to the Owner in accordance with the provisions of the Renewal Contract.
- (2) Housing assistance payments shall only be paid to the Owner for contract units occupied by eligible families leasing decent, safe and sanitary units from the Owner in accordance with statutory requirements, and with all HUD regulations and other requirements. If the Contract Administrator determines that the Owner has failed to maintain one or more contract units in decent, safe and sanitary condition, and has abated housing assistance payments to the Owner for such units, the Contract Administrator may use amounts otherwise payable to the Owner pursuant to the Renewal Contract for the purpose of relocating or rehousing assisted residents in other housing.

e Contract units

The Renewal Contract applies to the Contract units.

5 EXPIRING CONTRACT - PROVISIONS RENEWED

- a Except as specifically modified by the Renewal Contract, all provisions of the Expiring Contract are renewed (to the extent such provisions are consistent with statutory requirements in effect at the beginning of the Renewal Contract term).
- b All provisions of the Expiring Contract concerning any of the following subjects are not renewed, and shall not be applicable during the renewal term:

- (1) Identification of contract units by size and applicable contract rents;
 - (2) The amount of the monthly contract rents;
 - (3) Contract rent adjustments; and
 - (4) Project account (sometimes called "HAP reserve" or "project reserve") as previously established and maintained by HUD pursuant to former Section 8(c)(6) of the United States Housing Act of 1937 (currently Section 8(c)(5) of the Act, 42 U.S.C. 1437f(c)(5)). Section 8(c)(5) does not apply to the Renewal Contract, or to payment of housing assistance payments during the Renewal Contract term.
- c The Renewal Contract includes those provisions of the Expiring Contract that are renewed in accordance with this section 5.

6 CONTRACT RENT

a Initial contract rents

At the beginning of the Renewal Contract term, and until contract rents for units in the Project are adjusted in accordance with section 6b, the contract rent for each bedroom size (number of bedrooms) shall be the initial contract rent amount listed in Exhibit A of the Renewal Contract.

b Contract rent adjustments

(1) OCAF or Budget-Based Rent Adjustments

- (a) Except as provided in section 6b(2) below (concerning comparability adjustments at each Fifth Year Anniversary and discretionary comparability adjustments within each five-year term), during the term of the Renewal Contract the Contract Administrator shall annually, on the anniversary of the Renewal Contract, adjust the amounts of the monthly contract rents in accordance with HUD requirements by either of the following methods (as determined by the Contract Administrator in accordance with HUD requirements):
 - (i) Using an OCAF; or

- (ii) At the request of the owner, based on the budget for the Project, as approved by the Contract Administrator in accordance with HUD requirements.
- (b) Adjustments by use of the OCAF shall not result in a negative adjustment (decrease) of the contract rents. The OCAF shall not be used for adjustment of rent at each Fifth Year Anniversary (as determined in accordance with section 6b(2)(b) below).

(2) Comparability adjustments

- (a) **Applicability.** This section 6b(2) is applicable only if the contract has been renewed pursuant to Section 524(a) of MAHRA. This section 6b(2) does not apply to a project renewed at exception rents under Section 524(b)(1) of MAHRA (See section 1 of the Renewal Contract).
- (b) **Fifth year adjustment (comparability adjustment at expiration of each 5-year period, if applicable)**
 - (i) This section 6b(2)(b) is only applicable if the term of the Renewal Contract is longer than five (5) years (from the first day of the term specified in section 2a).
 - (ii) At the expiration of each 5-year period of the Renewal Contract term ("Fifth Year Anniversary"), the Contract Administrator shall conduct a comparability analysis of existing contract rents. At such Fifth Year Anniversary of the Renewal Contract, the Contract Administrator shall make any adjustments in the monthly contract rents, as reasonably determined by the Contract Administrator in accordance with HUD requirements, necessary to set the contract rent for each unit size at comparable market rent. Such adjustment may result in a negative adjustment (decrease) or positive adjustment (increase) of the contract rents for one or more unit sizes.
 - (iii) To assist in the redetermination of contract rents at each Fifth Year Anniversary, the Contract Administrator may require that the Owner submit to the Contract Administrator a rent comparability study prepared (at the Owner's expense) in accordance with

HUD requirements.

(c) Mid-term adjustment (discretionary comparability adjustment within 5-year term)

In addition to the comparability analysis and adjustment of contract rents at the Fifth Year Anniversary, HUD may, at HUD's discretion, require or permit the Contract Administrator to conduct a comparability analysis and adjustment of contract rents ("mid-term adjustment"), one more time within each 5-year period of the Renewal Contract term.

(d) Adjusting contract rent

At the time of a fifth year or mid-term comparability adjustment, the Contract Administrator shall make any adjustments in the monthly contract rents, as reasonably determined by the Contract Administrator in accordance with HUD requirements, necessary to set the contract rent for each unit size at comparable rent. Such adjustment may result in a negative adjustment (decrease) or positive adjustment (increase) of the contract rents for one or more unit sizes.

(3) Procedure for rent adjustments during renewal term

- (a)** To adjust contract rents during the term of the Renewal Contract (including an OCAF or budget-based adjustment in accordance with section 6b(1), or a fifth year or midterm adjustment in accordance with section 6b(2)), the Contract Administrator shall give the Owner notice with a revised Exhibit A that specifies the adjusted contract rent amounts.
- (b)** The revised Exhibit A shall specify the adjusted contract rent amount for each bedroom size as determined by the Contract Administrator in accordance with this section. The adjustment notice by the Contract Administrator to the Owner shall specify when the adjustment of contract rent is effective.
- (c)** Notice of rent adjustment by the Contract Administrator to the Owner shall automatically constitute an amendment of the Renewal Contract.

(4) No other adjustments

Except for contract rent adjustments in accordance with this section, there shall not be any other adjustments of the contract rents during the term of the Renewal Contract. Special adjustments shall not be granted.

7 OWNER WARRANTIES

- a** The Owner warrants that it has the legal right to execute the Renewal Contract and to lease dwelling units covered by the contract.
- b** The Owner warrants that the rental units to be leased by the Owner under the Renewal Contract are in decent, safe and sanitary condition (as defined and determined in accordance with HUD regulations and procedures), and shall be maintained in such condition during the term of the Renewal Contract.

8 OWNER TERMINATION NOTICE

- a** Before termination of the Renewal Contract, the Owner shall provide written notice to the Contract Administrator and each assisted family in accordance with HUD requirements.
- b** If the Owner fails to provide such notice in accordance with the law and HUD requirements, the Owner may not increase the tenant rent payment for any assisted family until such time as the Owner has provided such notice for the required period.

9 HUD REQUIREMENTS

The Renewal Contract shall be construed and administered in accordance with all statutory requirements, and with all HUD regulations and other requirements, including changes in HUD regulations and other requirements during the term of the Renewal Contract. However, any changes in HUD requirements that are inconsistent with the provisions of the Renewal Contract, including the provisions of Section 6 (contract rent), shall not be applicable.

10 STATUTORY CHANGES DURING TERM

If any statutory change during the term of the Renewal Contract is inconsistent with section 6 of the Renewal Contract, and if HUD determines, and so notifies the Contract Administrator and the Owner, that the Contract Administrator is unable to carry out the provisions of section 6 because of such statutory change, then the Contract Administrator or the Owner may terminate the Renewal Contract upon notice to the other party.

11 PHA DEFAULT

- a** This section 11 of the Renewal Contract applies if the Contract Administrator is a PHA acting as Contract Administrator pursuant to an annual contributions contract ("ACC") between the PHA and HUD. This includes a case where HUD has assigned the Renewal Contract to a PHA Contract Administrator, for the purpose of PHA administration of the Renewal Contract.
- b** If HUD determines that the PHA has committed a material and substantial breach of the PHA's obligation, as Contract Administrator, to make housing assistance payments to the Owner in accordance with the provisions of the Renewal Contract, and that the Owner is not in default of its obligations under the Renewal Contract, HUD shall take any action HUD determines necessary for the continuation of housing assistance payments to the Owner in accordance with the Renewal Contract.

12 EXCLUSION OF THIRD-PARTY RIGHTS

- a** The Contract Administrator does not assume any responsibility for injury to, or any liability to, any person injured as a result of the Owner's action or failure to act in connection with the Contract Administrator's implementation of the Renewal Contract, or as a result of any other action or failure to act by the Owner.
- b** The Owner is not the agent of the Contract Administrator or HUD, and the Renewal Contract does not create or affect any relationship between the Contract Administrator or HUD and any lender to the Owner or any suppliers, employees, contractors or subcontractors used by the Owner in connection with implementation of the Renewal Contract.
- c** If the Contract Administrator is a PHA acting as Contract Administrator pursuant to an annual contributions contract ("ACC") between the PHA and HUD, the Contract Administrator is not the agent of HUD, and the Renewal Contract does not create any relationship between HUD and any suppliers, employees, contractors or subcontractors used by the Contract

Administrator to carry out functions or responsibilities in connection with contract administration under the ACC.

13 WRITTEN NOTICES

- a** Any notice by the Contract Administrator or the Owner to the other party pursuant to the Renewal Contract shall be given in writing.

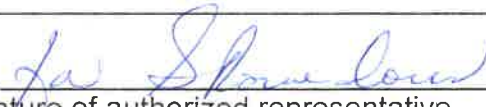
- b** A party shall give notice at the other party's address specified in section 1 of the Renewal Contract, or at such other address as the other party has designated by a contract notice. A party gives a notice to the other party by taking steps reasonably required to deliver the notice in ordinary course of business. A party receives notice when the notice is duly delivered at the party's designated address.

SIGNATURES

Contract Administrator

Name of Contract Administrator (HUD or PHA)

U.S. Department of Housing and Urban Development

By: 
Signature of authorized representative

Uche Oluku, MF Housing Director
Name and official title (Print)

Date: 6/6/2014

U.S. Department of Housing and Urban Development

By: 
Signature of authorized representative

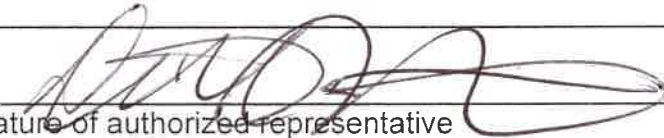
Uche Oluku, MF Housing Director
Name and official title (Print)

Date: 6/6/2014

Owner

Name of Owner (Print)

David S. White

By: 
Signature of authorized representative

David S. White - Manager of G.P.
Name and title (Print)

Date: 6.6.14

EXHIBIT A
IDENTIFICATION OF UNITS (CONTRACT UNITS) BY SIZE
AND APPLICABLE CONTRACT RENTS

Section 8 Number: VA36H027243

Rent Effective Date: 07/01/2014

Project Number:

Number of Contract Units	Number of Bedrooms	Contract Rent	Utility Allowance	Gross Rent
41	0	\$780.00	\$0.00	\$780.00
72	1	\$800.00	\$0.00	\$800.00

NOTE: This Exhibit will be amended by Contract Administrator notice to the Owner to specify adjusted contract rent amounts as determined by the Contract Administrator in accordance with section 6b of the Renewal Contract.

Comments:

R

Documentation of
Operating Budget
and Utility Allowance

Utility Allowance is not applicable to this project

M. OPERATING EXPENSES

Administrative:

Use Whole Numbers Only!

1. Advertising/Marketing			\$2,952
2. Office Salaries			\$70,000
3. Office Supplies			\$0
4. Office/Model Apartment	(type _____)		\$1,145
5. Management Fee			\$86,611
	5.87% of EGI	\$692.89	Per Unit
6. Manager Salaries			\$0
7. Staff Unit (s)	(type _____)		\$0
8. Legal			\$3,000
9. Auditing			\$0
10. Bookkeeping/Accounting Fees			\$5,700
11. Telephone & Answering Service			\$23,750
12. Tax Credit Monitoring Fee			\$0
13. Miscellaneous Administrative			\$0
Total Administrative			\$193,158

Utilities

14. Fuel Oil			
15. Electricity			\$60,000
16. Water			\$60,000
17. Gas			\$50,000
18. Sewer			\$0
Total Utility			\$170,000

Operating:

19. Janitor/Cleaning Payroll			\$0
20. Janitor/Cleaning Supplies			\$0
21. Janitor/Cleaning Contract			\$0
22. Exterminating			\$0
23. Trash Removal			\$0
24. Security Payroll/Contract			\$40,000
25. Grounds Payroll			\$0
26. Grounds Supplies			\$0
27. Grounds Contract			\$0
28. Maintenance/Repairs Payroll			\$110,000
29. Repairs/Material			\$126,000
30. Repairs Contract			\$0
31. Elevator Maintenance/Contract			\$0
32. Heating/Cooling Repairs & Maintenance			\$0
33. Pool Maintenance/Contract/Staff			\$0
34. Snow Removal			\$0
35. Decorating/Payroll/Contract			\$0
36. Decorating Supplies			\$0
37. Miscellaneous			\$0
Totals Operating & Maintenance			\$276,000

M. OPERATING EXPENSES

Taxes & Insurance

38. Real Estate Taxes	\$67,400
39. Payroll Taxes	\$22,000
40. Miscellaneous Taxes/Licenses/Permits	\$0
41. Property & Liability Insurance	\$49,000
42. Fidelity Bond	\$0
43. Workman's Compensation	\$5,000
44. Health Insurance & Employee Benefits	\$7,000
45. Other Insurance	\$0
Total Taxes & Insurance	\$150,400

Total Operating Expense	\$789,558
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Total Operating Expenses Per Unit	\$6,316	C. Total Operating Expenses as % of EGI	53.55%
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Replacement Reserves (Total # Units X \$300 or \$250 New Const. Elderly Minimum)	\$50,000
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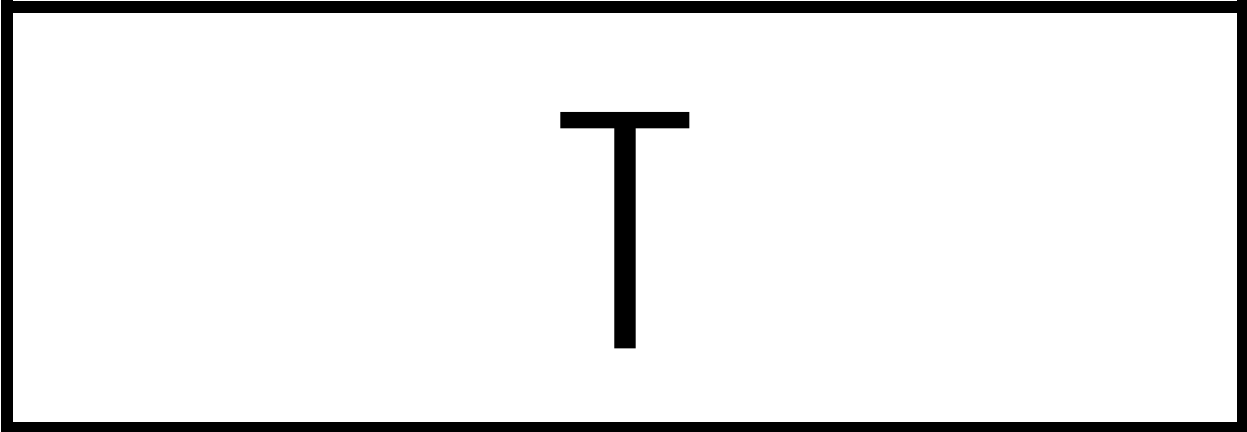
Total Expenses	\$839,558
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ACTION: Provide Documentation of Operating Budget at **Tab R** if applicable.

S

Supportive Housing
Certification

Not Applicable



T

Funding Documentation



May 6, 2019

Moshe Eichler
Capital Realty Group
86 Route 59 East
Spring Valley, NY 10977

**Re: Shockoe I Apartments
Richmond, VA**

Dear Mr. Eichler,

Red Stone Equity Partners, LLC (“Red Stone”) is pleased to be given an opportunity to submit a proposal on Shockoe I Apartments (“Project”) located in Richmond, Virginia. This letter serves as an outline of the business terms regarding the acquisition of limited partnership interests in a to-be-formed limited partnership (the “Partnership”) that will own the Project. Red Stone or its designee (the “Limited Partner”) will acquire a 99.975% limited partnership interest (the “LP Interest”) and a 0.001% special limited partnership interest (the “SLP Interest”) in the Partnership. 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 nor 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 limited partnership 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 Partnership has been formed to acquire, own, rehabilitate 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. The Project will consist of 125 residential units for rent to low-income families and seniors 62 and older. The Project will consist of two (2) residential buildings located at 212 Hospital Street located in the City of Richmond, within the Commonwealth of Virginia. Within the Project, 125 of the units are expected to be Housing Credit compliant, with no units being designated as management units. The residential unit mix shall reflect the detail below and shall conform to any other set-asides as required by the Virginia Housing Development Authority. The means for such conformance shall be reviewed by and be acceptable to Red Stone.

Unit Type	Number of Units	Income Restrictions
0 BR / 1 BR	41	60% AMI / Section 8
1 BR / 1 BR	72	60% AMI / Section 8
1 BR / 1 BR	12	60% AMI

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	November 1, 2019
Completion Date	November 1, 2020
First Unit Leased	November 1, 2019
Last Unit Leased	December 31, 2020
Stabilized Operations	April 1, 2021

2. **Project Ownership.** A to-be-formed entity owned by an affiliate of Capital Realty Group (the “General Partner”) will be a taxable, single-purpose, bankruptcy remote entity with a 0.009% ownership interest in the Partnership. It is possible that House of David Preservation, Inc. (“HOD”), a 501(c)(3), may also own membership interest in the General Partner, or may be an additional general partner or special limited partner. Any change in the ownership of the General Partner shall be subject to Red Stone’s consent. The anticipated ownership structure and other key Project participants are set forth below.

Entity	Name	Ownership Interest
General Partner	A to-be-formed entity	0.009%
Limited Partner	RSEP Holding LP, or its designee	99.975%
Special Limited Partner	Red Stone Equity Manager, LLC, or its designee	0.001%
State HTC Investor	See Exhibit A-4	0.015%
Developer	CRG Developers, LLC	
Guarantors ¹	Capital Realty Group, Inc.	
General Contractor	TBD	
Property Manager	Capital Realty Group	

¹ The Guarantors will guarantee certain of the General Partner’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.

3. **Tax Credits.** The Project expects to receive an allocation of 4% Housing Credits from the Virginia Housing Development Authority (the “Agency”) for the year 2019 in an annual amount of \$884,095. The total Housing Credits anticipated to be delivered to the Partnership is \$8,840,950 (the “Projected Federal LIHTC”). The Project has been listed as an historic building in the National Register of Historic Places or is located in a registered historic district and is certified as being of historic significance to the district and expects to undertake a certified rehabilitation that will enable the Partnership to claim federal historic rehabilitation credits (the “Historic Credits”) of \$3,514,970 (the “Projected Federal HTC”) and Virginia state rehabilitation credits (“State Historic Credits”) of \$4,393,710 (“Projected State HTC”), which is based on the Project incurring qualified rehabilitation expenditures of \$17,574,839 with respect to such building.

The following schedule sets forth the assumed delivery of the Projected Federal LIHTC, Projected Federal HTC, and Projected State HTC.

Year	Housing Credits	Historic Credits	State Historic Credits
2020	\$811,010	\$702,994	\$4,393,710
2021	\$884,095	\$702,994	\$0
2022	\$884,095	\$702,994	\$0
2023	\$884,095	\$702,994	\$0
2024	\$884,095	\$702,994	\$0
2025	\$884,095	\$0	\$0
2026	\$884,095	\$0	\$0
2027	\$884,095	\$0	\$0
2028	\$884,095	\$0	\$0
2029	\$884,095	\$0	\$0
2030	\$73,085	\$0	\$0

Any decision to delay the commencement date of the Housing Credit period beyond 2020 is subject to Red Stone’s consent. In addition, any decision to commence the Housing Credit period prior to January 1, 2020 is subject to Red Stone’s consent.

4. **Capital Contribution.** Red Stone will acquire its LP Interest in the Partnership for a total capital contribution of \$10,676,682 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	\$8,840,950	\$8,868,740	\$0.87	\$7,689,704
Projected Federal HTC	\$3,514,970	\$3,514,090	\$0.85	\$2,986,978
			Total	\$10,676,682
		State Amount		
Projected State HTC*	\$4,398,097	\$4,393,710	\$0.835	\$3,668,748

* See State HTC term sheet in Exhibit A-4

The above pricing assumes 100% of residential depreciation being taken over 30 years and 100% of depreciation on site improvements and personal property being taken over 1 year, if eligible. 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. 20% (\$2,135,336) shall be paid upon the later of (a) the execution of the Partnership Agreement, (b) receipt and approval of all due diligence items on Red Stone's due diligence checklist, (c) receipt by the Partnership 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, (e) receipt of conditional Part II Historic Certification from the U.S. Department of Interior, as reviewed and approved by Red Stone, and (f) closing and initial funding of the construction loan.
- B. 30% (\$3,203,005) shall be paid upon the later of (a) satisfaction of the funding conditions described in (A) above, (b) achievement of 50% construction completion as certified by the Project architect and as verified by Red Stone, and (c) May 1, 2020.
- C. 25% (\$2,669,171) shall be paid upon the later of (a) satisfaction of the funding conditions described in (B) above, (b) achievement of 75% construction completion as certified by the Project architect and as verified by Red Stone, and (c) August 1, 2020.
- D. 5% (\$533,834) upon the later of (a) satisfaction of the funding conditions described in (C) above, (b) receipt of temporary certificates of occupancy, (c) receipt of an architect's certificate of lien-free substantial completion, (d) receipt of HUD Final Endorsement, and (e) November 1, 2020.
- E. 15% (\$1,601,504) upon the later of (a) satisfaction of the funding conditions described in (D) 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 bridge loan and conversion 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 (3) 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, (h) receipt of Part III Historic Certification from the U.S. Department of Interior, and (i) April 1, 2021.

- F. 5% (\$533,834) upon the later of (a) satisfaction of the funding conditions described in (E) above, (b) achievement of three (3) additional consecutive months of a 1.15 to 1.00 DSC on all must-pay debt following commencement of amortization of the permanent loan, (c) receipt of IRS Form 8609s and a recorded extended use agreement, (d) receipt and review of an acceptable initial tenant file audit, (e) calculations of final adjusters have been prepared, and (f) July 1, 2021.

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, at the funding of its final capital contribution installment, equal to the product of (i) \$0.87 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) \$0.87 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 General Partner will make a payment (which payment shall be guaranteed by the Guarantors) to the Partnership equal to the amount of such excess, and the Partnership 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) \$0.65 multiplied by (ii) the difference in the Projected Federal LIHTC and actual Housing Credits for such years are less than the amounts shown in Paragraph 3. 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) \$0.35 multiplied by (ii) the difference between actual Housing Credits and the Projected Federal LIHTC. Red Stone will pay such additional capital contribution at the funding of its final capital contribution installment.

- C. Increase or Decrease in Historic Credits. In the event that actual Historic Credits exceeds Projected Federal HTC, Red Stone will pay an additional capital contribution, at the funding of its final capital contribution installment, equal to the product of (i) \$0.85 multiplied by (ii) the difference between the actual Federal HTC and the Projected Federal HTC. In the event that actual Historic Credits are less than Projected Federal HTC, Red Stone's capital contribution will be reduced by an amount equal to the product of (i) \$0.85 multiplied by (ii) the difference between the Projected Federal HTC and the actual Federal HTC ("Adjustment Amount"). If the Adjustment Amount exceeds the total of all unfunded capital contributions, then the General Partner will make a payment (which payment shall be guaranteed by the Guarantors) to the Partnership equal to the amount of such excess, and the Partnership will immediately distribute such amount to Red Stone as a return of its capital contribution.
- D. Timing of Historic Credit Delivery. If any portion of the Historic Credits are deferred to a subsequent year than set forth in Paragraph 3 ("Delayed Historic Tax Credits"), the capital contribution shall be reduced by an amount equal to 15% of the Delayed Historic Tax Credits for each year between the year in which the Delayed Historic Tax Credits are received and anticipated year.

The amount of the capital contributions set forth above was also based upon the assumption that the Partnership will elect to be treated as an Electing Real Property Trade or Business. It is assumed that the Partnership will be entitled to claim depreciation deductions with respect to site improvements of not less than \$461,853 with a 15-year recovery period and personal property of not less than \$659,790 with a 5-year recovery period. The General Partner may not elect out of bonus depreciation with respect to the 15- and 5-year life assets in accordance with Section 168(k)(2) of the Internal Revenue Code without the consent of Red Stone. As a result of the 100% accelerated depreciation, the Partnership will claim accelerated depreciation deductions of \$461,853 with respect to site improvements and \$659,790 with respect to personal property in 2020, all respectively.

Notwithstanding the above, in no event will the net additional Capital Contribution to be paid by Red Stone exceed 10% of the total original Capital Contribution amount, and Red Stone will pay such additional Capital Contribution at the funding of its final capital contribution. Such additional Capital Contribution will be used to pay any outstanding fees owed to Red Stone and then will be distributed in accordance with the provisions of Paragraph 10(B), below. If the Limited Partner does not invest in the Housing Credits and Historic Credits above the cap set forth above, then the Limited Partner will either (i) use its best efforts to procure a Class B Limited Partner to invest in the additional Credits on terms and conditions satisfactory to the General Partner, or (ii) elect to alter the ownership percentages in order to cause the additional Housing Credits and Historic Credits to be allocated to the General Partner or its designee.

6. **Reserves.** The Partnership will fund the following reserves:
- A. **Operating Reserve.** The Partnership will fund and maintain an Operating Reserve to be funded from the fifth and sixth Capital Contributions in an amount of \$700,900, but equal to no less than six (6) months of underwritten operating expenses, replacement reserve deposits, and the permanent loan debt service. Any release of funds from the Operating Reserve will be subject to Red Stone's consent. Pursuant to Paragraph 10(B), the Operating Reserve will be replenished up to \$700,900 (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 General Partner, as required pursuant to Paragraph 7(B)(ii) below. Notwithstanding the foregoing, the General Partner shall be entitled to withdraw funds from the Operating Reserve in excess of the Minimum Balance without Red Stone's consent; provided, however the General Partner shall provide notification of any such withdrawals. 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 General Partner 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 Partnership 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 \$300 per unit or such other amount specified by the Project lenders increasing by 3% per annum, which Replacement Reserve requirement shall not be redundant with those of the lender or governmental agency, and draws from which shall require lender approval; provided, however, Red Stone's consent shall be required for execution of any repair contract exceeding \$10,000.
7. **Guarantees.** The Guarantors will guarantee the following obligations of the General Partner:
- A. **Construction Completion Guarantee.*** The Guarantors shall guarantee the General Partner'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 constitute loans to the Partnership bearing an interest rate of 0%, and shall be repayable from residual distributions as described in Paragraph 10(C). *Amounts paid towards the developer fee at the fourth Capital Contribution (currently \$581,377) may be deferred and utilized to cover amounts in excess of the approved development budget, subject to Red Stone's consent in order to ensure that the increased amount of deferred developer fee could be repaid during the compliance period, and that no capital account issue is created as a result of this change.

- B. Operating Deficit Guarantee.* The Guarantors will agree to advance to the Partnership 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 three (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). Payments made under this guarantee will constitute loans to the Partnership, bearing an interest rate of 6.00%, and shall be repayable from residual distributions as described in paragraph 10(C). *Amounts paid towards the developer fee at the fifth Capital Contribution (currently \$1,412,513) may be deferred and utilized to cover operating deficits, subject to Red Stone’s consent in order to ensure that the increased amount of deferred developer fee could be repaid during the compliance period, and that no capital account issue is created as a result of this change.
 - (ii) Following (i) above, for a period of 60 months following the achievement of Stabilized Operations (the “ODG Period”), the amount shall be limited to \$700,900 (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 four (4) quarters of the ODG Period and the project-based Section 8 rental subsidy is in place. Any amounts so advanced will constitute loans bearing an interest rate of 6.00% (“Operating Deficit Loan”) repayable out of future available cash flow or out of available proceeds of a sale or refinancing described in Paragraph 10. Notwithstanding the foregoing, if there is an operational shortfall that is caused by a loss of any underwritten project-based Section 8 rental subsidy, the Guarantor shall continue to fund any deficits attributable to the loss of project-based operating subsidies.

- C. Repurchase Guarantee. The Guarantors will repurchase Red Stone's interest upon the occurrence of certain events described in the Partnership Agreement. The Repurchase provisions to be included in the Partnership Agreement is attached hereto as Exhibit A-1.

- 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 Limited Partner of an amount equal to the shortfall, or recapture amount, plus all applicable fees, penalties or other costs incurred by the Partnership and/or Red Stone as a result of such shortfall or recapture. The Guarantors will pay, on an after-tax basis, the Limited Partner \$1.00 for each dollar of Housing Credits lost, plus any related interest or penalties. Notwithstanding the foregoing, the Guarantors shall not be responsible for loss or recapture of Housing Credits attributable to changes to the Code after the achievement of Stabilized Operations.

- E. Historic Credit Shortfall and Recapture Guarantee. In addition to the Historic Credit and Timing Adjusters set forth in Paragraph 5, if the actual amount of Historic Credits for any year is less than Projected Federal HTC set forth in Paragraph 3, as adjusted by Paragraph 5, the Guarantors will guarantee payment to the Limited Partner of an amount equal to the shortfall, or recapture amount, plus all applicable fees, penalties or other costs incurred by the Partnership and/or Red Stone as a result of such shortfall or recapture. The Guarantors will pay, on an after-tax basis, the Limited Partner \$1.00 for each dollar of Historic Credits lost, plus any related interest or penalties. Notwithstanding the foregoing, the Guarantors shall not be responsible for loss or recapture of Historic Credits attributable to changes to the Code after the achievement of Stabilized Operations.

- F. Environmental Indemnification. The Partnership and the Guarantors, jointly and severally, shall indemnify and hold harmless the Limited Partner 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.

- G. Guarantors. The Guarantors will guarantee all of the General Partner's obligations including those set forth above. The Guarantors will maintain a minimum liquidity of \$1,000,000 and a minimum net worth of \$3,000,000. The Guarantors will provide Red Stone with annual financial statements evidencing compliance with the liquidity and net worth covenants above.

8. **Construction.** The General Partner will arrange for a fixed or guaranteed maximum price construction contract in the anticipated amount of \$12,682,500. The General Partner shall cause lien-free completion to occur and shall provide either a payment and performance bond or letter of credit to secure the contractor's obligations. Red Stone may, in its sole discretion, engage a construction consultant to review plans and specifications and evaluate the construction progress by providing monthly reports to the Partnership. The cost of the construction consultant shall be borne by Red Stone.
9. **Fees.** The following fees will be paid by the Partnership for services rendered in organizing, developing and managing the Partnership and the Project.
- A. **Developer Fee.** The Developer will earn a developer fee of \$2,527,724. The portion of the developer fee that will not be paid out of the Capital Contributions will be deferred and payable by the Partnership to the Developer as a distribution of net cash flow in accordance with Paragraph 10(B). The deferred amount is projected to be \$-0- and will accrue interest, accruing and to be paid in accordance with Paragraph 10, at the rate of 5% per annum or such other interest rate acceptable to tax counsel, in effect as of the placed-in-service date of the Project. The balance of the developer fee that is not projected to be permanently deferred is projected to be \$2,527,724 ("Cash Development Fee") will be paid out of the Capital Contributions in amounts projected to be the following (each stated as a percentage of Cash Development Fee):

Capital Contribution #	Cash Development Fee %
Fourth Capital Contribution	23%
Fifth Capital Contribution	56%
Sixth Capital Contribution	21%

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, the General Partner will be required to advance the Partnership the amount equal to the unpaid balance of the deferred amount.

- B. **Property Management Fee.** The property management fee will equal an amount not to exceed 6% of gross collected rents. The appointment of, and terms of the property management agreement, are subject to the prior approval of Red Stone.

- C. Asset Management Fee. The Partnership will pay Red Stone an annual asset management fee in an amount equal to \$7,500 per annum. The asset management fee will be paid annually and such fee shall accrue beginning on the Closing Date, with the first payment due and payable on or before March 1, 2021, and each anniversary thereafter. The asset management fee will increase annually by 3%.
- D. Incentive Management Fee. * Beginning after expiration of the historic tax credit compliance period, an incentive management fee may be payable to the General Partner 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. * N/A during the 5 year historic recapture period.

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 99.975% to the Limited Partner, 0.001% to the Special Limited Partner, 0.015% to the State HTC Investor, and 0.009% to the General Partner. The Limited Partner will have the right in its sole discretion to undertake a limited deficit restoration obligation at any time during the term of the Partnership.
- B. Net Cash Flow Distributions. Distributions of net cash flow, as defined in the Partnership 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 Limited Partner in proportion to any tax liability incurred by such partner;
 - (ii) to the Limited Partner, to make any payment of any unpaid tax credit adjuster or any tax credit shortfall or other debts owed to the Limited Partner;
 - (iii) to the Limited Partner as payment of any unpaid Asset Management Fee;
 - (iv) to replenish the Operating Reserve account to the Minimum Balance;
 - (v) to the payment of any unpaid developer fee and any interest accrued on the deferred developer fee, until such fee has been paid in full;
 - (vi) to the payment of any debts owed to the General Partner;
 - (vii) 100% to the payment of the Sponsor Loan;

- (viii) 90% to the payment of any incentive management fee, or such other amount as determined by and acceptable to tax counsel; and
- (ix) the balance, 0.009% to the General Partner, 0.001% to the Special Limited Partner, 0.015% to the State HTC Investor, and 99.975% to the Limited Partner, or such other amount determined by and acceptable to tax counsel.

Notwithstanding the foregoing, the Limited Partner shall receive a minimum of ten percent (10%) of remaining cash flow after distribution (vii) above.

C. Distributions upon Sale or Refinance. Net proceeds resulting from any sale or refinance will be distributed as follows:

- (i) in accordance with subparagraphs 10(i) through (iii) above;
- (ii) in accordance with subparagraphs 10(v) through (vii) above;
- (iii) to the Special Limited Partner, 1% of such gross proceeds as a partnership liquidation fee;
- (iv) to the Limited Partner in an amount equal to any projected exit taxes; and
- (v) the balance, 90% to the General Partner, 9.999% to the Limited Partner, and 0.001% to the Special Limited Partner, 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 General Partner 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 Partnership.

- A. Permanent Loan. The Partnership expects to receive non-recourse permanent loan commitments in the maximum amounts, and with the terms set forth below:

Name	Loan Amount	Hard / Soft Debt	Interest Rate	Term (mos.)	Amort. (mos.)	% of Cash Flow
FHA 221(d)(4)	\$10,690,000	Hard	4.60% (Incl MIP)	480	480	100%
Sponsor Loan	\$3,951,487	Soft	8.00%*	180	N/A	100%

*or the highest amount supportable by the capital account and tax counsel

- 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 construction loan in the form of an FHA 221(d)4 loan in the maximum amount of \$10,690,000 with an approximate interest rate of 4.60% (inclusive of 25 bps of MIP) and an equity bridge loan, if needed, in an approximate amount of \$3,375,000 with a 1.00% commitment fee and an interest rate of 6.50%, which Red Stone will facilitate the placement and closing at terms of no less than 24 months.

12. Purchase Option and Right of First Refusal.

- A. For a period of two (2) years following the compliance period, the General Partner 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 General Partner at its discretion, the amount of the federal, state, and local tax liability that the Limited Partner would incur as a result of the sale and any amount of credits below the amount stated in Paragraph 3. If the General Partner is a non-profit entity or so long as a non-profit has the right to purchase the property from the for-profit GP, the purchase price shall be the amount required pursuant to Section 42(i) of the Code.
- B. For a period of two (2) years following the compliance period, HOD shall have a Right of First Refusal, as described in 42(i)(7), which Right of First Refusal shall be by agreement in recordable form, shall be recorded, and shall be subject only to the holder's qualification as a 501(c)(3), and the Partnership's receipt from a third party of an offer to acquire the Project (without need for Red Stone consideration of offer acceptability); and in no event shall the Project be sold under any Partnership Agreement provisions prior to opportunity to exercise the Right of First Refusal.

13. **Due Diligence, Opinions and Financial Projections.** The General Partner will satisfy all of Red Stone's due diligence requirements, including an acceptable local law opinion. The Limited Partner's tax counsel will provide the tax opinion. The Partnership will reimburse the Limited Partner an amount equal to \$50,000 toward the costs incurred by the Limited Partner 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 Partnership Agreement and that support the tax opinion will be prepared by Red Stone based on financial projections provided by the General Partner. The General Partner financial projections will include eligible basis calculations, sources and uses, and cash flow statements.
14. **Partnership Closing.** Final Partnership 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 General Partner. Final Partnership 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 and (iii) Red Stone review and approval of any reciprocal use easement agreement and / or cost sharing agreements, if applicable. 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 Partnership closing will occur on or before the Closing Date set forth in Paragraph 1. Terms and credit pricing herein shall be valid until the Closing Date.
15. **Exclusivity.** Upon the execution of this Letter of Intent, the General Partner agrees to cease its efforts to obtain financing from other sources. This exclusive arrangement shall terminate should Red Stone notify the General Partner in writing that it does not intend to proceed with this investment any time prior to ratification by the Red Stone investment committee.
16. **Removal** The provision related to the removal of the General Partner by the Limited Partner to be included in the Partnership Agreement is attached hereto as Exhibit A-2. The provision related to the removal of the property manager by the Limited Partner to be included in the Partnership Agreement is attached hereto as Exhibit A-3.

[Remainder of page 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,

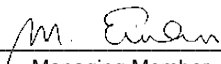
By: 

Name: Darren T. Swanson

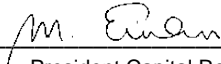
Title: Director

The undersigned approves and accepts the terms of this letter agreement and agrees to work with Red Stone.

GENERAL PARTNER:

By: 
Its: Managing Member
Date: 5/7/2019

GUARANTOR:

By: 
Its: President Capital Realty Group Inc
Date: 5/7/2019

GUARANTOR:

By: _____
Its: _____
Date: _____

Red Stone acknowledges and accepts the above signature of the General Partner within the terms of this commitment letter. This letter of intent was countersigned by Red Stone on the _____ day of _____, 2019.

By: _____
Title: _____
Date: _____

Exhibit A-1 (5.08 Repurchase Obligation)

(a) **Conditions for Repurchase.** If (i) the entire Apartment Complex is not placed in service by _____ (or such later date as may be Consented to by the Special Limited Partner); (ii) the Partnership has not received State Designation in _____, (iii) the IRS Form(s) 8609 (is) (are) not issued by the Agency so as to allow the Credit Period to commence as of _____; (iv) Final Closing has not occurred by _____ [maturity date of Construction Loan] [or _____ if the maturity date of the Construction Loan is extended in accordance with the Project Loan documents for the Construction Loan] (or such later date as may be Consented to by the Special Limited Partner); (v) the Partnership fails to meet the Minimum Set-Aside Test and the Rent Restriction Test by the close of the first year of the Credit Period or at any time thereafter; (vi) less than fifty-one percent (51%) of the aggregate cost basis of the construction and the basis of the Land on which the construction is located, as such terms are defined in Section 42(h)(4)(B) of the Code, is financed by an obligation described in Section 42(h)(4)(A) of the Code; OR the Partnership's basis in the Apartment Complex for federal income tax purposes, as finally determined by the Accountants or pursuant to an audit by the IRS, as of one year from the date of the carryover allocation, or such earlier date as may be required by the Agency, shall have been less than ten percent (10%) of the Partnership's reasonably expected basis in the Apartment Complex, as required pursuant to Section 42(h)(1)(E) of the Code; (vii) Breakeven Operations has not occurred within 18 months following Substantial Completion; (viii) at any time before the later to occur of (a) Breakeven Operations or (b) issuance of IRS Form 8609, (1) an action is commenced and successfully prosecuted to foreclose, abandon or permanently enjoin construction of the Apartment Complex; (2) it is determined, at any time prior to or upon issuance of the tax return for the year in which Breakeven Operations occurs, that the Apartment Complex will qualify for less than 80% of the Projected Tax Credits; or (3) if applicable, the Apartment Complex fails to comply with HUD's minimum standards for physical condition as determined pursuant to HUD's REAC inspection process; (ix) an Extended Use Agreement is not in effect before the end of the first year of the Credit Period; or (x) the commitment to provide permanent financing is rescinded or withdrawn and a substitute permanent loan commitment on comparable terms, acceptable to the Special Limited Partner, is not provided within thirty (30) days of the occurrence thereof then the General Partner shall, within fifteen (15) days of the occurrence thereof, send to the Limited Partner Notice of such event and of its obligation to purchase the Interest of the Limited Partner hereunder and return to the Limited Partner its Capital Contributions in the event the Limited Partner, in its sole discretion, requires in a Notice to the General Partner such purchase of the Interest of the Limited Partner.

(b) Thereafter, the General Partner, within thirty (30) days of the mailing date of Notice by the Limited Partner of such election, shall acquire the entire Interest of the Limited Partner in the Partnership by making payment to the Limited Partner, in cash, of an amount equal to the sum of (i) 110% of its Capital Contributions, and (ii) interest on such amount at the Default Rate accruing from the date or dates of the Limited Partner's Capital Contributions, but in no event higher than the highest rate permitted by applicable law.

(c) Upon receipt by the Limited Partner of any such payment of its Capital Contributions, the Interest of the Limited Partner and all further obligations of the Limited Partner hereunder shall terminate, and, to the extent that the Limited Partner has acted in accordance with the terms of this Agreement, the General Partner shall indemnify and hold harmless the Limited Partner from any losses, damages, and/or liabilities, to or as a result of claims of Persons other than Partners or Affiliates thereof, to which the Limited Partner (as a result of its respective participation hereunder) may be subject.

Exhibit A-2 (6.05 Removal of the General Partner)

(i) Conditions for Removal. The Special Limited Partner, so long as it is a Partner, shall have the right to remove the General Partner:

(ii) for any (x) fraud, (y) gross negligence or intentional misconduct or (z) breach of fiduciary duty in the discharge of its duties and obligations as General Partner, or

(iii) upon the occurrence of any of the following:

(A) the General Partner or the Partnership shall have violated any material provisions of the Regulatory Agreement, the Extended Use Agreement and/or the Loan Agreement, or any material provisions of any other Project Document or other document required in connection with any Project Loan or any material provisions of a Project Lender and/or Agency requirements applicable to the Apartment Complex (including the failure to remedy any conditions noted in a HUD REAC inspection report), which violation has not been explicitly waived in writing by the applicable Project Lender or the Agency, as applicable;

(B) the General Partner or the Partnership shall have (i) violated any material provision of this Agreement, including, without limitation, any of its guarantees or payment obligations under Sections 5.01(b), 5.03, 5.08 and/or 8.09, (ii) violated any material provision of applicable law, or (iii) breached any representation and warranty contained in Article 4 in any material respect;

(C) any event occurs, which if uncorrected, would with passage of time and giving of notice constitute an event of default by the Partnership or the General Partner under any Project Loan or Project Document;

(D) the General Partner shall have conducted its own affairs or the affairs of the Partnership in such manner as would:

(1) cause the termination of the Partnership for federal income tax purposes; or

(2) cause the Partnership to be treated for federal income tax purposes as an association, taxable as a corporation; or

(3) in the reasonable opinion of the Special Limited Partner, cause a recapture or reduction in Certified Credits beyond that which the General Partner has funded pursuant to the Tax Credit Compliance Guaranty; or

(4) violate any federal or state securities laws; or

(5) cause the Limited Partner to be liable for Partnership obligations in excess of its Capital Contributions;

(E) the General Partner fails to timely and promptly discharge the Management Agent if (1) at any time cause for such removal exists or (2) the Special Limited Partner exercises its rights pursuant to Section 7.02(b);

(F) any default by the Guarantor under the Guaranty;

(G) the amount of Actual Credits for any year are, or are projected by the Accountants to be, less than eighty-five percent (85%) of the Projected Credits for that year; or less than eighty-five percent (85%) of Certified Credits if Certified Credits have been determined and adjustments to the Capital Contribution of the Limited Partner have been made as may be required under Section 5.03;

(H) the General Partner shall (x) fail to obtain the dismissal of any case commenced against the General Partner (i) for the appointment of a trustee for the General Partner, or any of its property, or (ii) in Bankruptcy; or (y) file a voluntary Bankruptcy;

(I) an event of repurchase occurs, as described in Section 5.08;

(J) the General Partner or any Guarantor or an Affiliate of either is convicted of a felony; and

(K) the General Partner fails to fund any Operating Deficit if such Operating Deficit occurs prior to expiration of the Operating Deficit Guaranty Period.

Exhibit A-3 (Removal of Management Agent)

7.01 Selection of Management Agent. The Partnership shall engage such person, firm or company as the General Partner may select, and as the Special Limited Partner may approve, which approval shall not be unreasonably withheld, to manage the operation of the Apartment Complex. Such Management Agent shall possess all required and applicable certifications and licenses issued through the State or through a reputable property management educational organization (such as a Certified Property Manager designation through the Institute of Real Estate Management) as well as any additional certifications or licenses which are required to manage Tax Credit properties. The Management Agent shall perform its obligations in accordance with all laws, procedures and regulations governing property managers within the State. The Management Agent shall be paid a management fee subject to the approval of the Agency and/or the Project Lenders, if required, and the Special Limited Partner, but in no event will the annual management fee be greater than [____ percent (____%)] of the annual gross revenues of the Apartment Complex. The contract between the Partnership and the Management Agent and the management plan for the Apartment Complex shall be in the form set forth in Exhibit M, with such changes acceptable to the Agency and/or the Project Lenders, if required, and reasonably acceptable to the Special Limited Partner; such contract shall have an initial term of one (1) year and shall be renewable annually thereafter and, shall provide, among other things, (i) for immediate termination by the General Partner at the direction of the Special Limited Partner in the event that the Special Limited Partner determines that grounds for removal of the Management Agent exist under Section 7.02; (ii) for payment of a management fee in an amount not to exceed the respective percentages set forth above; (iii) that it shall be for cause cancelable upon thirty (30) days' prior notice from the Partnership. Further, if the Management Agent is an Affiliate of the General Partner, (i) the Management Agent will accrue the management fee until all other operating expenses are paid and (ii) the Management Agent will accrue the management fee if at any time the General Partner has failed to provide the reports set forth in Section 13.04 in a timely manner. _____ is approved by the parties hereto as the initial Management Agent.

7.02 Removal of the Management Agent. The General Partner:

(a) may, upon receiving any required approval of the Agency and Project Lenders, if required, and the Special Limited Partner, dismiss the Management Agent as the entity responsible for the Apartment Complex under the terms of the contract between the Partnership and the Management Agent,

(b) shall, at the request of the Special Limited Partner, remove the Management Agent if the Special Limited Partner determines that the same is necessary to protect the interests of the Partnership or if the Management Agent is declared Bankrupt, is dissolved, or makes an assignment for the benefit of its creditors, or for any intentional misconduct by the Management Agent or its negligence in the discharge of its duties and obligations as Management Agent (subject to the fulfillment and expiration of any notice and/or opportunity to cure provisions of the Management Agreement), including, without limitation, for any action or failure to take any action which:

(i) violates in any material respect any provision of the Management Agreement entered into with the Partnership and approved by the Project Lenders, if required, and/or any material provision of the Project Documents and/or the Loan Documents applicable to the Apartment Complex, or the Project Lenders' approved management plan for the Apartment Complex;

(ii) violates in any material respect any provision of this Agreement or any provision of applicable law; or

(iii) causes the Apartment Complex to be operated in a manner which if continued would give rise to an event which would cause or would likely cause a recapture of Tax Credit; and

(c) shall include in any Management Agreement with an Affiliate of the General Partner, a provision that the Special Limited Partner shall have the right to terminate the Management Agreement in the event the General Partner is removed pursuant to the terms of this Agreement.

7.03 Replacement of the Management Agent. Upon the removal of the Management Agent as the entity responsible for the management of the Apartment Complex, a substitute Management Agent which is not an Affiliate of the General Partner shall be named by the General Partner, subject to the approval of the Project Lenders, if required, and the approval of the Special Limited Partner.

Exhibit A-4 (Investment Proposal for State Historic Tax Credits)

See following pages



**SPECIALTY
FINANCE
GROUP**

A Division of Cedar Rapids Bank & Trust

July 10, 2020

Mr. Avi Fechter
EquityPlus, LLC
24851 Quimby Oaks Place
Aldie, VA 20105

Dear Avi:

Thank you for giving us this opportunity to provide you and your client, Moshe Eichler at Capital Realty, with this 4% LIHTC tax exempt immediate funding construction/term bond loan term sheet for their 125 Unit Shockhoe Apartments Section 8 Acquisition Rehabilitation project located in Richmond, VA. The following outlines the general loan terms and conditions for your review and consideration:

4% LIHTC Tax Exempt Immediate Funding Construction/Term Bond Loan

Borrower: Shockhoe I Apartments VA LP.

Loan Amount: Lesser of (a) \$11,000,000, (b) the amount necessary to provide a 1.15 to 1.00 debt service coverage ratio with respect to the Project measured at the funding of the Loan or (c) the amount such that the loan amount will not exceed 90% of the As Completed Stabilized Appraised Value.

Purpose: Provide permanent term loan financing for the Section 8 Acquisition and Rehabilitation of a 125unit property in Richmond, VA.

Use of Proceeds: Proceeds shall be used first for the purchase of the property, with the remaining escrowed funds used for construction costs required to complete the project.

Tax Exempt Interest Rate: The estimated tax exempt interest rate as of July 10, 2020 is 3.45%. The interest rate shall be fixed by a SWAP Agreement that is calculated to immediately fund (no forward rate lock is required), with the underlying Loan accruing interest at 79% of 30 Day Libor + 2.00%.

Excess loan proceeds beyond those required to acquire the property will be held in an escrowed restricted money market account at CRBT and will be used for requested/approved construction draws for the rehabilitation of the property as needed. The money market account will pay interest on the balance at a rate of .15% (estimated as of 7/10/20).

Rate estimates above will continue to fluctuate based on the Market until such time that the swap documentation is executed. Upon commencing the swap and locking your fixed interest rate, if the loan is cancelled for any reason, you will be 100% responsible for paying any and all of the make whole fees charged to

CRBT resulting from unwinding the SWAP per the terms of the executed SWAP Documents along with all of CRBT's credit underwriting, legal, or other out of pocket expenses. Lender will require collateral for the SWAP in the form of Guarantees and a 1st mortgage on the property. Collateral must be approved by CRBT prior to locking the rate and executing the SWAP documentation.

Loan Fee:	\$10,000.
Financial Covenant:	Borrower will be required to maintain a minimum 80% occupancy rate throughout the projects rehabilitation process.
Maturity Date:	17 years
Repayment Terms:	Amortize the loan over 40 years, with all unpaid principal and interest due at maturity of the 17 year term.
Collateral:	First Real Estate Mortgage on the real property for the project referred to as Shockhoe Apartments located 210 Hospital Street, Richmond, VA 23219, and an assignment of rents and leases of the real property.
Guarantors:	Non-Recourse Carve out Guarantees from the Developer/Owners and the General Partner.
Prepayment:	Standard SWAP "Make Whole or In the Money" prepayment provisions will apply as specified in the SWAP Documents.
Loan Agreements:	Borrower's loans shall be governed by loan documents which will contain terms and conditions that will be satisfactory to both the Borrower and Bank. All loan documents will be prepared by CRBT's legal counsel, Winthrop & Weinstine in Minneapolis, MN.
Due Diligence:	<p>The Lender will need as part of necessary due diligence, and as a condition to making the Credit Facility available, the following, but not limited to:</p> <ul style="list-style-type: none">(i) Appraisal including a Market and Feasibility Study(ii) Borrower, General Partner, Sponsor and Guarantors Financial Statements and Tax Returns;(iii) Phase I environmental report;(iv) 42(m) letter issued by the allocating agency with respect to the Project;(v) Financial statements of Investor, if requested by Lender;(vi) Organizational documents and operating agreements of Borrower, General Partner, Corporate Guarantor, in form and substance acceptable to Lender;(vii) Documents evidencing Investor's obligation to contribute the Tax Credit Equity to Borrower in form and substance acceptable to Lender;(viii) Lender's Title Insurance commitment and pro-forma policy in a form and substance acceptable to Lender;(ix) An ALTA survey of the Project;(x) The Borrower and all related entities obtaining all necessary approvals and making all necessary filings to obtain the Tax Credits;(xi) The receipt of insurance coverage for the Project acceptable to Lender;(xii) Any general information concerning the Borrower, the sponsor, the Project, and financing that has not already been provided to Lender, such as the following:<ul style="list-style-type: none">1. Developer resume/biography;2. Previous Tax Credit Development Experience;3. Project Overview;4. Discussion and details of ownership structure for Project;5. Project timeline;

LIHTC Loan Due Diligence Checklist

Borrower/Project Name:

Guarantor(s) Name:

Projected Closing Date:

Collected (Y/N) Comments (if not collected, why?)

1. Executive Summary and Term Sheet

- a. Resume / Biography of Developer
- b. Personal Financial Statement and 2 years Tax Returns for Developer/Guarantor
- c. Previous Tax Credit Development Experience of Developer
- d. Project Overview - Summary of the original use, projected use, work to be done
- e. ID and Background on General Contractor for Project
 - i. GMP Contract
 - ii. P&P Bond
 - iii. Financials for General Contractor
- f. ID and Background on Qualified Architect
- g. ID and Background Qualified on CPA Firm handling cost certification
- h. ID and Experience of Permanent/Take Out Lender
 - i. 2 years of financials if not a publicly traded company

2. Organizational Chart

- a. Discussion and details of ownership structure to be utilized

3. Flow of Funds / Projections

- a. Project Timeline - Draw/Funding Schedule
- b. Project Projections
- c. Overall sources and uses for entire project
- d. Detailed breakdown of credits comprising the request

4. Tax Credit Documentation

- a. Any applicable City Development agreements associated with the project
- b. ID of Tax Credit purchases
 - i. Financials of the Purchaser if privately held
- c. Anticipated terms of the purchase
- d. Tax Credit Reservation / Allocation Letter from the State Agency
- e. State Agency Tax Credit Application
- f. Submissions of application/approval forms & agreements tied to specific credits

5. Other

- a. Background Checks
- b. Credit Reports
- c. Appraisal
- d. Market Study
- e. Environmental Report
- f. Other Documents (Additional supporting documents may be required at Lender's request.)



A Division of Cedar Rapids Bank & Trust

Wiring Instructions for Cedar Rapids Bank & Trust

Cedar Rapids Bank & Trust
500 1st Ave NE
Cedar Rapids, IA 52401

ABA: 073922801

Credit Account: 17200

Project Name: _____

RE: Attn: SFG – Good Faith Deposit

FOSS VIRGINIA 2020 FUND I, LLC

Investment Proposal for Historic Tax Credits

May 16, 2019

Mr. Moshe Eichler
Capital Realty Group
86 Route 59 East
Spring Valley, NY 10977

RE: 212 Hospital Street – Richmond, VA

Dear Mr. Swanson:

I am pleased to present the following terms and conditions relating to a possible investment by Foss Virginia 2020 Fund I, LLC (the "Investor"), with its principal place of business at 1700 Montgomery Street, San Francisco, CA 94111, in the subject limited partnership in which the availability of State of Virginia Historic Rehabilitation Tax Credits ("State Historic Tax Credits" or "State Credits") and other economic benefits are a primary investment feature.

Please be advised that this letter merely represents a proposal of terms and conditions, and an understanding of the issues and structure as set forth by the Sponsor, under consideration by Investor. Any such transaction is subject to, among other things, Due Diligence review and approval by Investor, its attorneys, accountants, and other appropriate parties, as well as subject to appropriate legal documentation signed by all parties. No such approval has been submitted or obtained.

Project: 212 Hospital Street – Richmond, VA

The project consists of the rehabilitation of the approximately 94,500 square foot three (3) historic former hospital buildings located at 212 Hospital Street in Richmond, Virginia. The property was converted to apartments in the 1970s. The renovations will consist of converting existing apartments into 41 studio apartments and 84 one-bedroom apartments (the "Project"). The rehabilitation of the Project will begin in November 2019 and will be completed in November 2020. The Project will be substantially rehabilitated in accordance with the standards set by the Virginia Department of Historic Resources and the Secretary of the Interior in order to qualify eligible expenditures for State Credits. All approvals in this regard (i.e. Part II) will be received by Investor prior to its admission.

Investor contemplates entering into a limited partnership as a 0.015% partner under the terms and conditions set forth below.

Investment Entity: A to-be-formed Virginia limited partnership (the "Partnership")

Sponsor: Capital Realty Group, Inc.

Tax Credits: Projected 2020 Virginia State Historic Preservation Tax Credits of \$4,393,710

Statutory Authority: Code of Laws of Virginia, Section 58.1-339.2

Administering: Virginia Department of Historic Resources; Virginia Department of Revenue

**1700 MONTGOMERY STREET
SAN FRANCISCO, CA 94111**

Agencies:

Investment Structure: At Closing, Investor and/or one or more affiliates will be admitted into the Partnership through an Amendment to the Partnership Agreement as a 0.015% partner.

Allocations:

Profits, losses, cash flow and proceeds from a sale or refinancing of the Project, as well as the profits, losses, cash flow and proceeds from a sale or refinancing of the Partnership, shall be allocated to the partners of the Partnership in accordance with their respective Partnership interests. State tax credits will be allocated 100% to Investor. The Partnership will recognize income in the amount of the purchase price and will allocate 100% of such income to the Investor. The tax return for the Partnership will include disclosures of the transaction under Treas. Sec. 1.707-3(c)(2).

Capital Contribution:

Approximately **\$3,668,748** (or **\$0.835** for each State Credit dollar available to the Investor in 2020 (assumed to be \$4,393,710)).

Such price shall be adjusted, up or down, to reflect the final Tax Credit amount shown on each Part 3 Certificate issued by the Virginia Department of Historic Resources. Should the final Tax Credit amount increase by more than 15% from the above (the "Cap"), then Investor shall have the option, but not the obligation, to purchase such additional credits delivered in excess of the Cap.

Pay-In Schedule:

All cash, payable based upon the calculation for each State Credit dollar set forth above, proposed to be as follows:

<u>Amount</u>	<u>Expected Date</u>	<u>Benchmarks (Latest to Occur)</u>
\$ 1,000	November 1, 2019	Admission of Investor into the Partnership. Closing of the construction financing. Commitment of all permanent financing.
\$3,667,748	November 1, 2020	Certificate of Completion and/or Occupancy. 100% Lien Waivers. Accountant's Cost Certification. Part 3 Approval from the Virginia Department of Historic Resources. Completed VA Form PTE.

Put Option:

The Investor will have the right to put its interest to the General Partner or affiliate beginning on the 30-month anniversary of the admission of the Investor to the Partnership and for twelve months thereafter for a purchase price equal to the then-fair-market value of the interest of the Investor. If the parties cannot agree as to the value, then the General Partner shall select an appraiser, whose valuation shall be determinative.

Due Diligence:

Within seven (7) days of accepting and executing this Proposal, Sponsor will provide Investor with certain Due Diligence materials for the Project and the Partnership, including but not limited to copies of:

- a) State Parts 1 and 2 historic tax credit applications;
- b) State Parts 1 and 2 approvals;
- c) Current Partnership Agreement and Articles of Organization;
- d) Project development budget including tax credit calculation;

- e) Operating pro forma for a minimum five-year period;
- f) Current financial statements from the Partnership and Sponsor/Guarantor;
- g) Environmental Report; and
- h) Recent market study.

Upon receipt of all of the requested materials, Investor will have 30 days (the "Due Diligence Period") to commit in writing to the investment or inform the Sponsor of its decision not to proceed. Upon committing, both the Investor and Sponsor agree to work diligently, and to authorize their attorneys and other agents to produce such documents as is necessary, to effect the Admission of the Investor into the Partnership. Upon a decision by Investor not to proceed, then this proposal shall become null and void, and neither party shall have any obligation to the other.

Guarantor(s):	Capital Realty Group Inc., Moshe Eichler, Sam Horowitz, and other such individuals or entities as may be determined during the Due Diligence Period.
Obligations:	Tax Credit Recapture Obligation – The Sponsor and Guarantor(s) have the affirmative obligation to take all necessary acts to prevent the recapture of any Tax Credits that Investor may become subject to for any reason relating to the Project, the Sponsor, the Partnership, and their duties and obligations under state or federal law or regulation. The Guarantor(s) shall guaranty the Sponsor's obligation to repay Investor for any loss or recapture of tax credits, but excluding any recapture caused by act or omission of the Investor, plus interest, penalty, fees, and reasonable costs of defense, if any.
Transaction Expenses:	Sponsor will reimburse Investor up to \$10,000 for due diligence and closing expenses to be paid at closing. Outside of this \$10,000 re-imburement, each party will pay for its own legal and other expenses incurred in this transaction. Notwithstanding the foregoing, should closing not occur due to no fault of Investor, then the Manager, Sponsor, and the Guarantor(s) agree to pay all of Investor's costs, including but not limited to legal, accounting, and other due diligence investigation costs.
Financial Projections and Cost Certification:	The Financial Projections shall mean those financial projections for the Project that have been prepared by the Sponsor. Cost Certification shall mean an audited Cost Certification for the Project that has been prepared by accountants experienced in historic tax credit transactions and approved by the Investor.
Sponsor Representations:	<p>Sponsor represents that it has adequate legal representation with respect to the requirements under state and federal regulations, and the investment in the Partnership and/or allocation of the State Credits to Investor.</p> <p>Sponsor represents that it will proceed diligently in effecting the allocation thereof and will act in good faith and in accordance with the rules and regulations of the Administering Agencies.</p>
Investor Representations:	<p>Investor represents that it is familiar with the rules and regulations relating to the issuance of State Credits, and that it has engaged adequate legal representation with respect to the requirements under state and federal regulations, and the investment in and/or sale of the State Credits to Investor.</p> <p>The Investor acknowledges that the State Credits have not been registered under the Securities Act of 1933, as amended (the "Act"), or any state securities laws and are being offered and sold in reliance upon exemptions from such registration, including Investor's representation that it is an "accredited investor" under the Act.</p>
Submissions &	Sponsor shall provide all such material as is necessary to file with the IRS and

Reporting: the Commonwealth of Virginia to claim the Tax Credits, including but not limited to Parts 1, 2 and 3 of the Virginia historic certification forms, a Form PTE for each Part 3 certificate, and a Certified Public Accountant's cost certification. Sponsor must submit all of these documents to Investor by **February 25, 2021**. If all of these documents are not received by this date, then a late delivery penalty will be imposed.

Sponsor shall provide annual financial statements of the Partnership, and federal and state tax returns, prepared by a CPA experienced with historic tax credits, by March 1 of each year.

Construction Inspector: Sponsor shall cause the construction lender and/or federal historic investor for the Project, as applicable, to provide Investor with copies of each construction inspection report prepared with respect to the Project. Investor reserves the right to bring in a third-party building inspector to review the construction plans, construction progress, and construction draws to ensure that the Project is progressing in accordance with the Virginia Department of Historic Resources Part II Approval and the financial model for the Project. The Partnership shall pay all fees of the inspector retained to perform said services up to a maximum amount of \$3,000.

Option for Late Delivery: In the event the Project is not placed in service in 2020 but instead is placed in service in 2021 and the Project delivers 2021 State Credits, then Investor shall contribute \$0.79 per dollar of credit as a late delivery penalty.

The Sponsor acknowledges that it currently controls the Partnership, will control the land upon which the Project is built or renovated, will control the allocation of State Credits related to such Project, and expects to do so through the completion of the transaction contemplated herein. The Sponsor acknowledges that no agreement exists, written or otherwise, which would adversely affect its ability to enter into this agreement, and to timely complete the transaction contemplated herein. In consideration of Investor's interest and the mutual considerations described herein, the Sponsor grants to Investor the exclusive right to complete such transaction, and shall not engage in any discussion about the sale or transfer of the Project's State Credits and the associated benefits discussed herein, or its interest in them with any party other than the Investor until the earliest to occur of (a) Investor completing the transaction contemplated herein, (b) Investor's failure to commit to the investment in writing acceptable to the Sponsor prior to the expiration of the Due Diligence Period, or (c) June 30, 2019.

Please sign below as acknowledgment of your understanding and concurrence with the terms and conditions herein presented, and as authority to allow Investor, its subsidiaries, and its agents to research the Project, the Partnership, and the financial, professional, and character background of the principals involved. One original signed copy of this letter or electronic copy of same should be returned to Foss and Company. This proposal shall expire on May 31, 2019 if Investor has not received your acceptance hereof by such date.

FOSS VIRGINIA 2020 FUND I, L.L.C.,
("INVESTOR")

By: Virginia Historic Partners, LLC
Its: Managing Member



By: Eric Brubaker
Its: Vice President

In the event there are any discrepancies or material differences between this Term sheet, and the Red Stone Term sheet Dated May 6, 2019, The terms and conditions of the Red Stone Term Sheet shall control.

Accepted this 26th day of May, 2019

CAPITAL REALTY GROUP, INC.

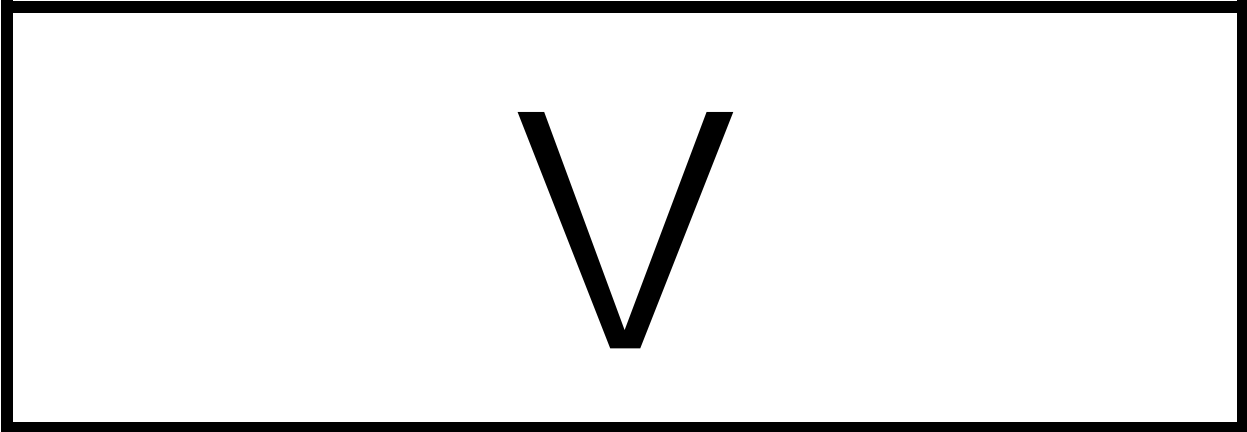


By: Moshe Eichler
Its: President

U

Documentation to
Request Exception to
Restriction-Pools with
Little/No Increase in Rent
Burdened Population

Not Applicable



V

Nonprofit or LHA Purchase
Option or Right of First
Refusal

PURCHASE OPTION AND RIGHT OF FIRST REFUSAL AGREEMENT

This Purchase Option and Right of First Refusal Agreement ("***Purchase Agreement***"), is made as of December 15, 2020, by and between Shockoe I Apartments VA LP, a Virginia limited partnership (the "***Partnership***"), and House of David Preservation Inc., a District of Columbia nonprofit corporation ("***Grantee***").

Recitals

WHEREAS, Shockoe I Apartments GP LLC, a Virginia limited liability company (the "***General Partner***") and one or more other parties, concurrently with the execution and delivery of this Purchase Agreement, are entering into that certain Amended and Restated Agreement of Limited Partnership of the Partnership dated as of the date hereof (the "***Agreement***") continuing the Partnership by amending and restating a prior partnership agreement (all capitalized terms used herein and not otherwise defined shall have the meaning given to them in the Agreement); and

WHEREAS, Grantee has been instrumental in the development of the Apartment Complex located on the land described in Exhibit A hereto, as described in the Agreement; and

WHEREAS, the Apartment Complex is or will be subject to one or more governmental agency regulatory agreements (collectively, the "***Use Restrictions***") restricting its use to low-income housing; and

WHEREAS, Grantee desires to provide for the continuation of the Apartment Complex as low-income housing upon termination of the Partnership by Grantee purchasing the Apartment Complex at the applicable price determined under this Purchase Agreement and operating the Apartment Complex in accordance with the Use Restrictions; and

WHEREAS, as a condition precedent to the continuation of the Partnership pursuant to the Agreement, Grantee has negotiated and required that the Partnership shall execute and deliver this Purchase Agreement.

NOW, THEREFORE, in consideration of the execution and delivery of the Agreement and the payment by the Grantee to the Partnership of Ten and No/100 Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

1. **Grant of Option**. The Partnership hereby grants to Grantee an option to purchase the real estate, fixtures, and personal property comprising the Apartment Complex or associated with the physical operation thereof, owned by the Partnership at the time of purchase (the "***Property***") (the "***Option***"), for a period beginning with the expiration of the fifteen (15) year compliance period for the low-income housing tax credits for all buildings at the Apartment Complex (the "***Compliance Period***") as determined under Section 42(i)(1) of the Internal Revenue Code of 1986, as amended (the "***Code***") and ending twenty-four months thereafter, on the terms and conditions set forth in this Purchase Agreement and subject to the conditions precedent to exercise of the Option specified herein. The Apartment Complex real estate is legally described in **Exhibit A** attached hereto and made a part hereof.

2. Grant of Refusal Right. In the event that the Partnership receives a third party offer to purchase the Apartment Complex, Grantee shall have a right of first refusal to purchase the Property (the "*Refusal Right*") after the expiration of the Compliance Period, on the terms and conditions set forth in this Purchase Agreement and subject to the conditions precedent to exercise of the Refusal Right specified herein. In addition to all other applicable conditions set forth in this Purchase Agreement, (a) the foregoing grant of the Refusal Right shall be effective only if Grantee is currently and remains at all times hereafter, until (i) the Refusal Right has been exercised and the resulting purchase and sale has been closed or (ii) the Refusal Right has been assigned to a Permitted Assignee described in Section 9 hereof, whichever first occurs, a qualified nonprofit organization, as defined in Section 42(h)(5)(C) of the Code, and (b) any assignment of the Refusal Right permitted under this Purchase Agreement and the Refusal Right so assigned shall be effective only if the assignee is at the time of the assignment and remains at all times thereafter, until the Refusal Right has been exercised and the resulting purchase and sale has been closed, a Permitted Assignee described in Section 9 hereof meeting the requirements of Section 42(i)(7)(A) of the Code as determined in its judgment by tax counsel to the Limited partner in the Partnership. Upon receipt of any such offer to purchase the Property, the Partnership shall notify Grantee, the general partner, and the limited partner in the Partnership of such offer and deliver to each of them a copy thereof. The Partnership shall not accept any such offer unless and until the Refusal Right has expired without exercise by Grantee under Section 5 hereof.

3. Purchase Price Under Option.

a. Purchase Price Under Option. The purchase price for the Property pursuant to the Option shall be the greater of the following amounts, subject to the proviso set forth hereinbelow:

(1) Debt and Taxes. An amount sufficient (i) to pay all debts (including Partner loans) and liabilities of the Partnership upon its termination and liquidation as projected to occur immediately following the sale pursuant to the Option, and (ii) to distribute to the Partners, after payments of items under Section 11.04(a) through (d) of the Agreement, cash proceeds equal to the taxes projected to be imposed on the Partners of the Partnership as a result of the sale pursuant to the Option, all as more fully stated in Section 11.04 of the Agreement, which is hereby incorporated herein by reference; or

(2) Fair Market Value. The fair market value, appraised as low-income housing to the extent continuation of such use is required under the Use Restrictions, any such appraisal to be made by a licensed appraiser, selected by the Partnership's regular certified public accountants, who is a member of the Master Appraiser Institute and who has experience in the geographic area in which the Apartment Complex is located, as reduced by customary costs of sale, including customary sales commissions; provided, however, that if prior to exercise of the Option the Service has issued a revenue ruling or provided a private letter ruling to the Partnership, the applicability of which ruling shall be determined in its judgment by tax counsel to the limited partner in the Partnership, or tax counsel to the limited partner in the Partnership has issued an opinion letter concluding that property of the nature and use of the Property may be sold under circumstances described in this Purchase Agreement at the price determined under Section 42(i)(7) of the Code without limiting tax credits or deductions that would otherwise be available to the limited

partner in the Partnership, then the Option price shall be such price. The fair market value of the Property may take into account such factors that the appraiser may deem relevant to properly determine the fair market value of the Interest in the Partnership.

b. [Reserved]

4. Purchase Price Under Refusal Right. The purchase price for the Property pursuant to the Refusal Right shall be equal to the sum of (a) an amount sufficient to pay all debts (including Partner loans) and liabilities of the Partnership upon its termination and liquidation as projected to occur immediately following the sale pursuant to the Refusal Right, (b) an amount sufficient to make payments required under Section 11.04(a) through ([d]) of the Agreement, and (c) an amount equal to the taxes projected to be imposed on the Partners of the Partnership as a result of the sale pursuant to the Refusal Right, all as more fully stated in Section 11.04 of the Agreement, which is hereby incorporated herein by reference.

5. Exercise of Option or Refusal Right. The Option and the Refusal Right may each be exercised by Grantee by (a) giving prior written notice of its intent to exercise the Option or the Refusal Right to the Partnership and each of its Partners in the manner provided in the Agreement and in compliance with the requirements of this Section 5, and (b) complying with the contract and closing requirements of Section 7 hereof. Any such notice of intent to exercise the Option shall be given during the twenty-four (24) months following the Compliance Period. Any such notice of intent to exercise the Refusal Right shall be given within one hundred eighty (180) days after Grantee has received the Partnership's notice of a, offer pursuant to Section 2 hereof, but in no event later than twenty-four (24) months immediately following the end of the Compliance Period, notwithstanding any subsequent receipt by the Partnership of any such offer. In either case, the notice of intent shall specify a closing date within twenty-four (24) months immediately following the end of the Compliance Period. If the foregoing requirements (including those of Sections 7 and 10 hereof) are not met as and when provided herein, the Option or the Refusal Right, or both, as applicable, shall expire and be of no further force or effect. Upon notice by Grantee of its intent to exercise the Option or the Refusal Right, all rights under the other shall be subordinate to the rights then being so exercised unless and until such exercise is withdrawn or discontinued, and upon the closing of any sale of the Property pursuant to such notice shall expire and be of no further force or effect, provided that in the event that the Option and the Refusal Right are hereafter held by different parties by reason of any permitted assignment or otherwise, Grantee in its assignment(s) or such parties by written agreement may specify any other order of priority consistent with the other terms and conditions of this Purchase Agreement.

6. Determination of Price. Upon notice by Grantee of its intent to exercise the Option or the Refusal Right, the Partnership and Grantee shall exercise best efforts in good faith to agree on the purchase price for the Property. Any such agreement shall be subject to the prior written consent of the limited partner in the Partnership, which shall not be withheld as to any purchase price determined properly in accordance with this Purchase Agreement.

7. Contract and Closing. Upon determination of the purchase price, the Partnership and Grantee shall enter into a written contract for the purchase and sale of the Property in accordance with this Purchase Agreement and containing such other terms and conditions as are standard and customary for similar commercial transactions in the geographic area which the Apartment Complex is located, providing for a closing not later than the date specified in Grantee's

notice of intent to exercise of the Option or the Refusal Right, as applicable, or ninety (90) days after the purchase price has been determined, whichever is later. In the absence of any such contract, this Purchase Agreement shall be specifically enforceable upon the exercise of the Option or the Refusal Right, as applicable. The purchase and sale hereunder shall be closed through a deed-and-money escrow with the title insurer for the Apartment Complex or another mutually acceptable title company. In the event that none of the Option or the Refusal Right is exercised, or the sale pursuant thereto is not consummated, then upon conveyance of the Apartment Complex to anyone other than Grantee or its permitted assignee hereunder, the foregoing provisions shall terminate and have no further force or effect.

8. Use Restrictions. In consideration of the Option and the Refusal Right granted hereunder at the price specified herein, Grantee hereby agrees that the deed of the Apartment Complex to Grantee shall be subject to the Use Restrictions.

9. Assignment. Grantee may assign all or any of its rights under this Purchase Agreement to (a) a qualified nonprofit organization, as defined in Section 42(h)(5)(C) of the Code, (b) a government agency, or (c) a tenant organization (in cooperative form or otherwise) or resident management corporation of the Apartment Complex (each a "*Permitted Assignee*") that demonstrates its ability and willingness to maintain the Apartment Complex as low-income housing in accordance with the Use Restrictions, in any case subject to the prior written consent of the limited partner in the Partnership, which shall not be unreasonably withheld if the proposed grantee demonstrates that it is reputable and creditworthy and is a capable, experienced owner and operator of residential rental property, and subject in any event to the conditions precedent to the Refusal Right grant and the Option Price set forth herein. Prior to any assignment or proposed assignment of its rights hereunder, Grantee shall give written notice thereof to the Partnership, the general partner and the limited partner in the Partnership. Upon any permitted assignment hereunder, references in this Purchase Agreement to Grantee shall mean the permitted Assignee where the context so requires, subject to all applicable conditions to the effectiveness of the rights granted under this Purchase Agreement and so assigned. No assignment of Grantee's rights hereunder shall be effective unless and until the permitted Assignee enters into a written agreement accepting the assignment and assuming all of Grantee's obligations under this Purchase Agreement and copies of such written agreement are delivered to the Partnership, and the general partner, the and the limited partner. Except as specifically permitted herein, Grantee's rights hereunder shall not be assignable.

10. Conditions Precedent. Notwithstanding anything in this Purchase Agreement to the contrary, the Option and the Refusal Right granted hereunder shall be contingent on the following:

a. General Partner. The General Partner shall have remained in good standing as General Partner of the Partnership and there shall have been no notice of default under the Agreement which has not been cured; and

b. Use Restrictions. Either (i) the Use Restrictions shall have been entered into and remained in full force and effect, and those Use Restrictions to be contained therein, as heretofore initially approved in writing by the limited partner in the Partnership, shall have remained unmodified except as to any modification Consented to by the Limited partner in the Partnership in writing, or (ii) if the Use Restrictions are no longer in effect due to reasons other than a default thereunder by the Partnership, such Use Restrictions, as

so initially approved and unmodified, shall have remained in effect by other means and shall continue in effect by inclusion in the deed as required under Paragraph 8 hereof.

If any or all of such conditions precedent have not been met, the Option and the Refusal Right shall not be exercisable. Upon any of the events terminating the General Partner as General Partner of the Partnership under the Agreement or affecting the Use Restrictions as described in this Section 10, the Option and the Refusal Right shall be void and of no further force and effect.

11. Miscellaneous. This Purchase Agreement shall be governed by the laws of the State. This Purchase Agreement may be executed in counterparts or counterpart signature pages, which together shall constitute a single agreement.

12. Subordination. The Grantee's Option and Right of First Refusal granted herein shall at all times be subject and subordinate to the liens of the Project Lenders.

(document continues on following page)

Grantee Acknowledgment

STATE OF Colorado)
)
COUNTY OF Boulder)

I, Alejandra Ordez Murillo, a Notary Public in and for said County in the State aforesaid, do hereby certify that Israel Wilhelm, President of House of David Preservation Inc. personally known to me to be the same person whose name is subscribed to the foregoing instrument as such officer, appeared before me this day in person and acknowledged that s(he) signed and delivered such instrument as his/her own free and voluntary act, and as the free and voluntary act of said corporation, all for the uses and purposes set forth therein.

Given under my hand and notarial seal on December 18th 2020.

Alejandra Ordez
Notary Public

My Commission Expires: 06/05/2024

[SEAL]



MY COMMISSION EXPIRES 09/09/2024
NOTARY ID 20240100003
STATE OF COLORADO
NOTARY PUBLIC
ALEXANDRA CHAZA MURILLO

Exhibit A

Legal Description

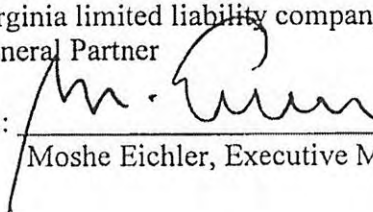
[To be attached]

In Witness Whereof, the parties have executed this Purchase Option and Right of First Refusal Agreement as of the date first set forth hereinabove.

Partnership:

Shockoe I Apartments VA LP, a Virginia limited partnership


By: Shockoe I Apartments GP LLC, a Virginia limited liability company, its General Partner

By: 

Moshe Eichler, Executive Manager

Grantee:

House of David Preservation Inc., a District of Columbia nonprofit corporation

By: _____
Name: Israel Wilhelm
Title: President 

Partnership Acknowledgment

STATE OF New York
COUNTY OF Rockland

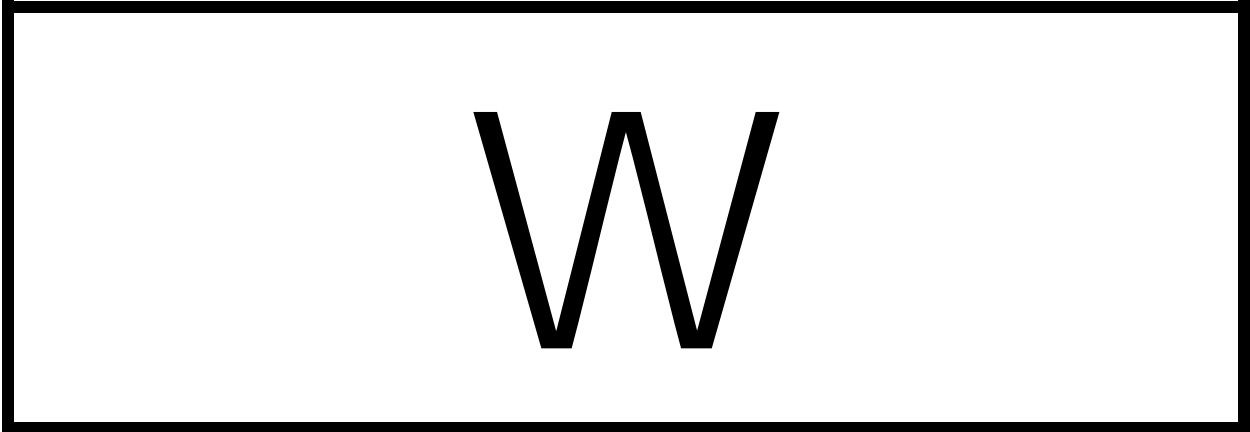
I, Sam Hoberowitz, a Notary Public in and for said County in the State aforesaid, do hereby certify that Moshe Eichler, Executive Manager of Shockoe I Apartments GP LLC, the general partner of Shockoe I Apartments VA LP personally known to me to be the same person whose name is subscribed to the foregoing instrument as such officer, appeared before me this day in person and acknowledged that he signed and delivered such instrument as his own free and voluntary act, and as the free and voluntary act of the Partnership known as Shockoe I Apartments VA LP on behalf of which said company has executed the foregoing instrument as a General Partner, all for the uses and purposes set forth therein.

Given under my hand and notarial seal on December 16, 2020.

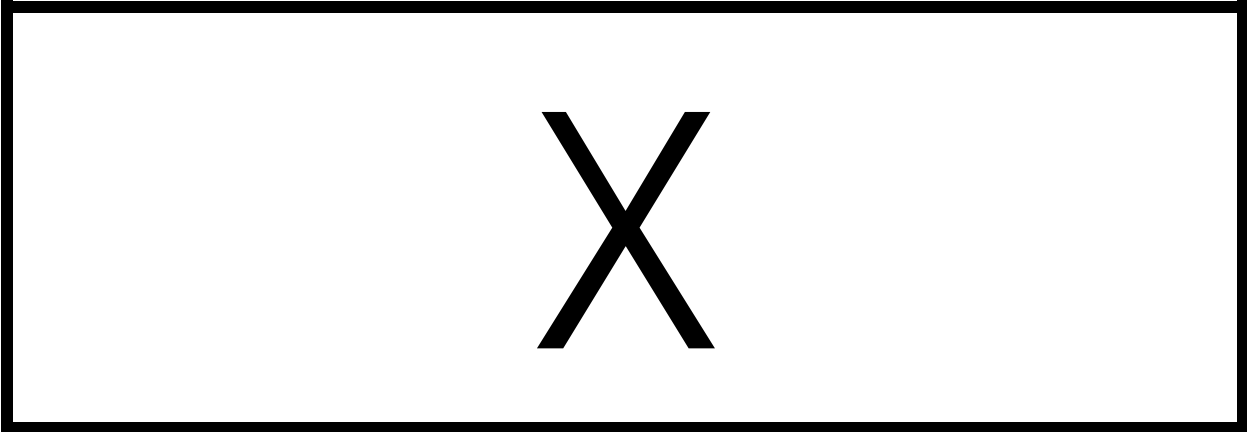
Notary Public

[Signature]
SAM HOBEROWITZ
Notary Public, State of New York
Reg. No. 01H06117978
Qualified in Rockland County
Commission Expires November 01, 2024

My Commission Expires: _____



(Reserved)



X

Marketing Plan

For units meeting accessibility requirements of HUD section

504

Note to all applicants/respondents: This form was developed with Nuance, the official HUD software for the creation of HUD forms. HUD has made available instructions for downloading a free installation of a Nuance reader that allows the user to fill-in and save this form in Nuance. Please see <http://portal.hud.gov/hudportal/documents/huddoc?id=nuancereaderinstall.pdf> for the instructions. Using Nuance software is the only means of completing this form.

Affirmative Fair Housing Marketing Plan (AFHMP) - Multifamily Housing

**U.S. Department of Housing and Urban Development
Office of Fair Housing and Equal Opportunity**

OMB Approval No. 2529-0013
(exp. 8/31/2013)

1a. Project Name & Address (including City, County, State & Zip Code)	1b. Project Contract Number	1c. No. of Units
	1d. Census Tract	
	1e. Housing/Expanded Housing Market Area	

1f. Managing Agent Name, Address (including City, County, State & Zip Code), Telephone Number & Email Address

1g. Application/Owner/Developer Name, Address (including City, County, State & Zip Code), Telephone Number & Email Address

1h. Entity Responsible for Marketing (check all that apply)

Owner Agent Other (specify)

Position, Name (if known), Address (including City, County, State & Zip Code), Telephone Number & Email Address

1i. To whom should approval and other correspondence concerning this AFHMP be sent? Indicate Name, Address (including City, State & Zip Code), Telephone Number & E-Mail Address.

2a. Affirmative Fair Housing Marketing Plan

Plan Type

Date of the First Approved AFHMP:

Reason(s) for current update:

2b. HUD-Approved Occupancy of the Project (check all that apply)

Elderly

Family

Mixed (Elderly/Disabled)

Disabled

2c. Date of Initial Occupancy

2d. Advertising Start Date

Advertising must begin *at least* 90 days prior to initial or renewed occupancy for new construction and substantial rehabilitation projects.

Date advertising began or will begin

For existing projects, select below the reason advertising will be used:

To fill existing unit vacancies		
To place applicants on a waiting list	(which currently has	individuals)
To reopen a closed waiting list	(which currently has	individuals)

3a. Demographics of Project and Housing Market Area

Complete and submit Worksheet 1.

3b. Targeted Marketing Activity

Based on your completed Worksheet 1, indicate which demographic group(s) in the housing market area is/are *least* likely to apply for the housing without special outreach efforts. (check all that apply)

White	American Indian or Alaska Native	Asian	Black or African American
Native Hawaiian or Other Pacific Islander		Hispanic or Latino	Persons with Disabilities
Families with Children	Other ethnic group, religion, etc. (specify)		

4a. Residency Preference

Is the owner requesting a residency preference? If yes, complete questions 1 through 5.

If no, proceed to Block 4b.

(1) Type

(2) Is the residency preference area:

The same as the AFHMP housing/expanded housing market area as identified in Block 1e?

The same as the residency preference area of the local PHA in whose jurisdiction the project is located?

(3) What is the geographic area for the residency preference?

(4) What is the reason for having a residency preference?

(5) How do you plan to periodically evaluate your residency preference to ensure that it is in accordance with the non-discrimination and equal opportunity requirements in 24 CFR 5.105(a)?

Complete and submit Worksheet 2 when requesting a residency preference (see also 24 CFR 5.655(c)(1)) for residency preference requirements. The requirements in 24 CFR 5.655(c)(1) will be used by HUD as guidelines for evaluating residency preferences consistent with the applicable HUD program requirements. See also HUD Occupancy Handbook (4350.3) Chapter 4, Section 4.6 for additional guidance on preferences.

4b. Proposed Marketing Activities: Community Contacts

Complete and submit Worksheet 3 to describe your use of community contacts to market the project to those least likely to apply.

4c. Proposed Marketing Activities: Methods of Advertising

Complete and submit Worksheet 4 to describe your proposed methods of advertising that will be used to market to those least likely to apply. Attach copies of advertisements, radio and television scripts, Internet advertisements, websites, and brochures, etc.

5a. Fair Housing Poster

The Fair Housing Poster must be prominently displayed in all offices in which sale or rental activity takes place (24 CFR 200.620(e)). Check below all locations where the Poster will be displayed.

Rental Office Real Estate Office Model Unit Other (specify)

5b. Affirmative Fair Housing Marketing Plan

The AFHMP must be available for public inspection at the sales or rental office (24 CFR 200.625). Check below all locations where the AFHMP will be made available.

Rental Office Real Estate Office Model Unit Other (specify)

5c. Project Site Sign

Project Site Signs, if any, must display in a conspicuous position the HUD approved Equal Housing Opportunity logo, slogan, or statement (24 CFR 200.620(f)). Check below all locations where the Project Site Sign will be displayed. Please submit photos of Project signs.

Rental Office Real Estate Office Model Unit Entrance to Project Other (specify)

The size of the Project Site Sign will be x
The Equal Housing Opportunity logo or slogan or statement will be x

6. Evaluation of Marketing Activities

Explain the evaluation process you will use to determine whether your marketing activities have been successful in attracting individuals least likely to apply, how often you will make this determination, and how you will make decisions about future marketing based on the evaluation process.

7a. Marketing Staff

What staff positions are/will be responsible for affirmative marketing?

7b. Staff Training and Assessment: AFHMP

- (1) Has staff been trained on the AFHMP?
 - (2) Has staff been instructed in writing and orally on non-discrimination and fair housing policies as required by 24 CFR 200.620(c)?
 - (3) If yes, who provides instruction on the AFHMP and Fair Housing Act, and how frequently?

 - (4) Do you periodically assess staff skills on the use of the AFHMP and the application of the Fair Housing Act?
 - (5) If yes, how and how often?
-

7c. Tenant Selection Training/Staff

- (1) Has staff been trained on tenant selection in accordance with the project's occupancy policy, including any residency preferences?

 - (2) What staff positions are/will be responsible for tenant selection?
-

7d. Staff Instruction/Training:

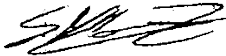
Describe AFHM/Fair Housing Act staff training, already provided or to be provided, to whom it was/will be provided, content of training, and the dates of past and anticipated training. Please include copies of any AFHM/Fair Housing staff training materials.

8. Additional Considerations Is there anything else you would like to tell us about your AFHMP to help ensure that your program is marketed to those least likely to apply for housing in your project? Please attach additional sheets, as needed.

9. Review and Update

By signing this form, the applicant/respondent agrees to implement its AFHMP, and to review and update its AFHMP in accordance with the instructions to item 9 of this form in order to ensure continued compliance with HUD's Affirmative Fair Housing Marketing Regulations (see 24 CFR Part 200, Subpart M). I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate. Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (See 18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802).

Signature of person submitting this Plan & Date of Submission (mm/dd/yyyy)



2/13/15

Name (type or print)

Title & Name of Company

For HUD-Office of Housing Use Only

Reviewing Official:

For HUD-Office of Fair Housing and Equal Opportunity Use Only

Approval

Disapproval

Signature & Date (mm/dd/yyyy)

Signature & Date (mm/dd/yyyy)

Name
(type
or
print)

Name
(type
or
print)

Title

Title

Public reporting burden for this collection of information is estimated to average six (6) hours per initial response, and four (4) hours for updated plans, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid Office of Management and Budget (OMB) control number.

Purpose of Form: All applicants for participation in FHA subsidized and unsubsidized multifamily housing programs with five or more units (see 24 CFR 200.615) must complete this Affirmative Fair Housing Marketing Plan (AFHMP) form as specified in 24 CFR 200.625, and in accordance with the requirements in 24 CFR 200.620. The purpose of this AFHMP is to help applicants offer equal housing opportunities regardless of race, color, national origin, religion, sex, familial status, or disability. The AFHMP helps owners/agents (respondents) effectively market the availability of housing opportunities to individuals of both minority and non-minority groups that are least likely to apply for occupancy. Affirmative fair housing marketing and planning should be part of all new construction, substantial rehabilitation, and existing project marketing and advertising activities.

An AFHM program, as specified in this Plan, shall be in effect for each multifamily project throughout the life of the mortgage (24 CFR 200.620(a)). The AFHMP, once approved by HUD, must be made available for public inspection at the sales or rental offices of the respondent (24 CFR 200.625) and may not be revised without HUD approval. This form contains no questions of a confidential nature.

Applicability: The form and worksheets must be completed and submitted by all FHA subsidized and unsubsidized multifamily housing program applicants.

INSTRUCTIONS:

Send completed form and worksheets to your local HUD Office, Attention: Director, Office of Housing

Part 1: Applicant/Respondent and Project

Identification. Blocks 1a, 1b, 1c, 1g, 1h, and 1i are self-explanatory.

Block 1d- Respondents may obtain the Census tract number from the U.S. Census Bureau (www.census.gov) when completing Worksheet One.

Block 1e- Respondents should identify both the housing market area and the expanded housing market area for their multifamily housing projects. Use abbreviations if necessary. A **housing market area** is the area from which a multifamily housing project owner/agent may reasonably expect to draw a substantial number of its tenants. This could be a county or Metropolitan Division. The U.S. Census Bureau provides a range of levels to draw from.

An **expanded housing market area** is a larger geographic area, such as a Metropolitan Division or a Metropolitan Statistical Area, which may provide additional demographic diversity in terms of race, color, national origin, religion, sex, familial status, or disability.

Block 1f- The applicant should complete this block only if a Managing Agent (the agent cannot be the applicant) is implementing the AFHMP.

Part 2: Type of AFHMP

Block 2a- Respondents should indicate the status of the AFHMP, i.e., initial or updated, as well as the date of the first approved AFHMP. Respondents should also provide the reason (s) for the current update, whether the update is based on the five-year review or due to significant changes in project or local demographics (See instructions for Part 9).

Block 2b- Respondents should identify all groups HUD has approved for occupancy in the subject project, in accordance with the contract, grant, etc.

Block 2c- Respondents should specify the date the project was/will be first occupied.

Block 2d- For new construction and substantial rehabilitation projects, advertising must begin at least 90 days prior to initial occupancy. In the case of existing projects, respondents should indicate whether the advertising will be used to fill existing vacancies, to place individuals on the project's waiting list, or to re-open a closed waiting list. Please indicate how many people are on the waiting list when advertising begins.

Part 3 Demographics and Marketing Area.

"Least likely to apply" means that there is an identifiable presence of a specific demographic group in the housing market area, but members of that group are not likely to apply for the housing without targeted outreach, including marketing materials in other languages for limited English proficient individuals, and alternative formats for persons with disabilities. Reasons for not applying may include, but are not limited to, insufficient information about housing opportunities, language barriers, or transportation impediments.

Block 3a - Using Worksheet 1, the respondent should indicate the demographic composition of the project's residents, current project applicant data, census tract, housing market area, and expanded housing market area. The applicable housing market area and expanded housing market area should be indicated in Block 1e. Compare groups within rows/across columns on Worksheet 1 to identify any under-represented group(s) relative to the surrounding housing market area and expanded housing market area, i.e., those group(s) "least likely to apply" for the housing without targeted outreach and marketing. If there is a particular group or subgroup with members of a protected class that has an identifiable presence in the housing market area, but is not included in Worksheet 1, please specify under "Other."

Respondents should use the most current demographic data from the U.S. Census or another official source such as a local government planning office. Please indicate the source of your data in Part 8 of this form.

Block 3b - Using the information from the completed Worksheet 1, respondents should identify the demographic group(s) least likely to apply for the housing without special outreach efforts by checking all that apply.

Part 4 - Marketing Program and Residency Preference (if any).

Block 4a - A residency preference is a preference for admission of persons who reside or work in a specified geographic area (see 24 CFR 5.655(c)(1)(ii)). Respondents should indicate whether a residency preference is being utilized, and if so, respondents should specify if it is new, revised, or continuing. If a respondent wishes to utilize a residency preference, it must state the preference area (and provide a map delineating the precise area) and state the reason for having such a preference. The respondent must ensure that the preference is in accordance with the non-discrimination and equal opportunity requirements in 24 CFR 5.105(a) (see 24 CFR 5.655(c)(1)).

Respondents should use Worksheet 2 to show how the percentage of the eligible population living or working in the residency preference area compares to that of residents of the project, project applicant data, census tract, housing market area, and expanded housing market area. The percentages would be the same as shown on completed Worksheet 1.

Block 4b - Using Worksheet 3, respondents should describe their use of community contacts to help market the project to those least likely to apply. This table should include the name of a contact person, his/her address, telephone number, previous experience working with the target population(s), the approximate date contact was/will be initiated, and the specific role the community contact will play in assisting with affirmative fair housing marketing or outreach.

Block 4c - Using Worksheet 4, respondents should describe their proposed method(s) of advertising to market to those least likely to apply. This table should identify each media option, the reason for choosing this media, and the language of the advertisement. Alternative format(s) that will be used to reach persons with disabilities, and logo(s) that will appear on the various materials (as well as their size) should be described.

Please attach a copy of the advertising or marketing material.

Part 5 – Availability of the Fair Housing Poster, AFHMP, and Project Site Sign.

Block 5a - The Fair Housing Poster must be prominently displayed in all offices in which sale or rental activity takes place (24 CFR 200.620(e)). Respondents should indicate all locations where the Fair Housing Poster will be displayed.

Block 5b -The AFHMP must be available for public inspection at the sales or rental office (24 CFR 200.625). Check all of the locations where the AFHMP will be available.

Block 5c -The Project Site Sign must display in a conspicuous position the HUD-approved Equal Housing Opportunity logo, slogan, or statement (24 CFR 200.620(f)). Respondents should indicate where the Project Site Sign will be displayed, as well as the size of the Sign and the size of the logo, slogan, or statement. **Please submit photographs of project site signs.**

Part 6 - Evaluation of Marketing Activities.

Respondents should explain the evaluation process to be used to determine if they have been successful in attracting those individuals identified as least likely to apply. Respondents should also explain how they will make decisions about future marketing activities based on the evaluations.

Part 7- Marketing Staff and Training.

Block 7a - Respondents should identify staff positions that are/will be responsible for affirmative marketing.

Block 7b - Respondents should indicate whether staff has been trained on the AFHMP and Fair Housing Act.

Please indicate who provides the training and how frequently. In addition, respondents should specify whether they periodically assess staff members' skills in using the AFHMP and in applying the Fair Housing Act. They should state how often they assess employee skills and how they conduct the assessment.

Block 7c - Respondents should indicate whether staff has been trained on tenant selection in accordance with the project's occupancy policy, including residency preferences (if any). Respondents should also identify those staff positions that are/will be responsible for tenant selection.

Block 7d - Respondents should include copies of any written materials related to staff training, and identify the dates of past and anticipated training.

Part 8 - Additional Considerations.

Respondents should describe their efforts not previously mentioned that were/are planned to attract those individuals least likely to apply for the subject housing.

Part 9 - Review and Update.

By signing the respondent assumes responsibility for implementing the AFHMP. Respondents must review their AFHMP every five years or when the local Community Development jurisdiction's Consolidated Plan is updated, or when there are significant changes in the demographics of the project or the local housing market area. When reviewing the plan, the respondent should consider the current demographics of the housing market area to determine if there have been demographic changes in the population in terms of race, color, national origin, religion, sex, familial status, or disability. The respondent will then determine if the population least likely to apply for the housing is still the population identified in the AFHMP, whether the advertising and publicity cited in the current AFHMP are still appropriate, or whether advertising sources should be modified or expanded. Even if the demographics of the housing market area have not changed, the respondent should determine if the outreach currently being performed is reaching those it is intended to reach as measured by project occupancy and applicant data. If not, the AFHMP should be updated. The revised AFHMP must be submitted to HUD for approval. HUD may review whether the affirmative marketing is actually being performed in accordance with the AFHMP. If based on their review, respondents determine the AFHMP does not need to be revised, they should maintain a file documenting what was reviewed, what was found as a result of the review, and why no changes were required. HUD may review this documentation.

Notification of Intent to Begin Marketing.

No later than 90 days prior to the initiation of rental marketing activities, the respondent must submit notification of intent to begin marketing. The notification is required by the AFHMP Compliance Regulations (24 CFR 108.15). The Notification is submitted to the Office of Housing in the HUD Office servicing the locality in which the proposed housing will be located. Upon receipt of the Notification of Intent to Begin Marketing from the applicant, the monitoring office will review any previously approved plan and may schedule a pre-occupancy conference. Such conference will be held prior to initiation of sales/rental marketing activities. At this conference, the previously approved AFHMP will be reviewed with the applicant to determine if the plan, and/or its proposed implementation, requires modification prior to initiation of marketing in order to achieve the objectives of the AFHM regulation and the plan.

OMB approval of the AFHMP includes approval of this notification procedure as part of the AFHMP. The burden hours for such notification are included in the total designated for this AFHMP form.

**Worksheet 1: Determining Demographic Groups Least Likely to Apply for Housing Opportunities
(See AFHMP, Block 3b)**

In the respective columns below, indicate the percentage of demographic groups among the project’s residents, current project applicant data, census tract, housing market area, and expanded housing market area (See instructions to Block 1e). If you are a new construction or substantial rehabilitation project and do not have residents or project applicant data, only report information for census tract, housing market area, and expanded market area. The purpose of this information is to identify any under-representation of certain demographic groups in terms of race, color, national origin, religion, sex, familial status, or disability. If there is significant under-representation of any demographic group among project residents or current applicants in relation to the housing/expanded housing market area, then targeted outreach and marketing should be directed towards these individuals least likely to apply. Please indicate under-represented groups in Block 3b of the AFHMP. **Please attach maps showing both the housing market area and the expanded housing market area.**

Instructions: For demographic data from the 2010 Census, please see <http://factfinder2.census.gov/main.html>. To find data by Census Tract, County, Metropolitan Statistical Area (MSA), or other level:

1. Click “Geographies” on the left.
2. Click the “Address” Tab and enter the address of the project and then click “GO”.
(*To create a map of the area click the “Maps” tab*)
3. Select the level of interest (Census Tract, County, MSA, or other) and then close the “Select Geographies” box.
(Do NOT select more than one level at a time)
4. Click the first “Profile of General Population and Housing Characteristics: 2010” also known as DP-1.
(Refer to the “Race” section “Total Population” subsection for breakdown of demographic characteristics)
5. Record the information in Worksheet 1 for that level, click “Back to Search” in the top left corner, then click “Clear all Selections” in the “Selections” Box in the top left corner.
6. Start process again to retrieve the next level of data (County, MSA, or other).

To collect information about the percentage of persons with disabilities repeat above steps 1 through 3 to select your level of interest (Census Tract, County, MSA, etc.) then:

1. Click “Topics” on the left.
2. Click “People”.
3. Click “Disability” and then click the “Disability” link directly beneath it.
4. **For Census Tract-** Select the first “Disability Status by Sex: 2000” or QT-P21. Please note that the most recent information for census tract is from 2000. In this section report percent with a disability for both sexes for population 5 years and over.
For County or MSA- Select the first “Selected Social Characteristics in the United States” or DP02 and report the percent of the total civilian noninstitutionalized population with a disability.
5. Record the information in Worksheet 1 and then click “Back to Search” in the top left corner, then click the “X” next to the level in the “Your Selections” box, but **KEEP** “DISABILITY” as a selection.
6. Repeat for next level of data (County, MSA, or other).

Demographic Characteristics	Project’s Residents	Project’s Applicant Data	Census Tract	Housing Market Area	Expanded Housing Market Area
% White					
% Black or African American					
% Hispanic or Latino					
% Asian					
% American Indian or Alaskan Native					
% Native Hawaiian or Pacific Islander					
% Persons with Disabilities					
% Families with Children under the age of 18					
Other (specify)					

Worksheet 2: Establishing a Residency Preference Area (See AFHMP, Block 4a)

Complete this Worksheet if you wish to continue, revise, or add a residency preference, which is a preference for admission of persons who reside or work in a specified geographic area (see 24 CFR 5.655(c)(1)(ii)). If a residency preference is utilized, the preference must be in accordance with the non-discrimination and equal opportunity requirements contained in 24 CFR 5.105(a). This Worksheet will help show how the percentage of the population in the residency preference area compares to the demographics of the project's residents, applicant data, census tract, housing market area, and expanded housing market area. **Please attach a map clearly delineating the residency preference geographical area.**

Demographic Characteristics	Project's Residents (as determined in Worksheet 1)	Project's Applicant Data (as determined in Worksheet 1)	Census Tract (as determined in Worksheet 1)	Housing Market Area (as determined in Worksheet 1)	Expanded Housing Market Area (as determined in Worksheet 1)	Residency Preference Area (if applicable)
% White						
% Black or African American						
% Hispanic or Latino						
% Asian						
% American Indian or Alaskan Native						
% Native Hawaiian or Pacific Islander						
% Persons with Disabilities						
% Families with Children under the age of 18						
Other (specify)						

Worksheet 3: Proposed Marketing Activities –Community Contacts (See AFHMP, Block 4b)

For each targeted marketing population designated as least likely to apply in Block 3b, identify at least one community contact organization you will use to facilitate outreach to the particular population group. This could be a social service agency, religious body, advocacy group, community center, etc. State the names of contact persons, their addresses, their telephone numbers, their previous experience working with the target population, the approximate date contact was/will be initiated, and the specific role they will play in assisting with the affirmative fair housing marketing. Please attach additional pages if necessary.

Targeted Population(s)	Community Contact(s), including required information noted above.
All	Sixth Mt Zion Baptist Church, 14 W Duval St, Richmond VA 23220, 804-648-7511 Donald Barker will be contacted in person to distribute brochures
All	St Paul's Episcopal Church 815 E Grace St, Richmond VA 23219 804-643-3589 x 5416 Hana Yun will be contacted in person to distribute brochures
All	Home Again Richmond 2 E Main St, Richmond VA 23219 804-908-4742 Anne Jones will be contacted in person to distribute brochures
All	Senior Connections 24 E Cary St, Richmond VA 23219 804-343-3000 Demetria Garden will be contracted by phone or email to distribute brochures.

Worksheet 4: Proposed Marketing Activities – Methods of Advertising (See AFHMP, Block 4c)

Complete the following table by identifying your targeted marketing population(s), as indicated in Block 3b, as well as the methods of advertising that will be used to market to that population. For each targeted population, state the means of advertising that you will use as applicable to that group and the reason for choosing this media. In each block, in addition to specifying the media that will be used (e.g., name of newspaper, television station, website, location of bulletin board, etc.) state any language(s) in which the material will be provided, identify any alternative format(s) to be used (e.g. Braille, large print, etc.), and specify the logo(s) (as well as size) that will appear on the various materials. Attach additional pages, if necessary, for further explanation. Please attach a copy of the advertising or marketing material.

Targeted Population(s)→ Methods of Advertising ↓	Targeted Population:	Targeted Population:	Targeted Population:
Newspaper(s)			
Radio Station(s)			
TV Station(s)			
Electronic Media gosection8.com	all		
Bulletin Boards			
Brochures, Notices, Flyers			
Other (specify)			

Y

Inducement Resolution for Tax
Exempt Bonds

RICHMOND REDEVELOPMENT AND HOUSING AUTHORITY

PROPOSED RESOLUTION

Meeting Date: June 19, 2019

Agenda Item No. 4

TITLE: INDUCEMENT RESOLUTION REGARDING THE ISSUANCE OF MULTIFAMILY HOUSING REVENUE BONDS FOR THE ACQUISITION, CONSTRUCTION, RENOVATION, REHABILITATION AND EQUIPPING OF THE APPROXIMATELY 125-UNIT SHOCKOE HILL I APARTMENTS MULTIFAMILY HOUSING FACILITY LOCATED IN THE CITY OF RICHMOND, VIRGINIA

RESOLUTION:

WHEREAS, the Richmond Redevelopment and Housing Authority (the "Authority") is empowered, pursuant to the Virginia Housing Authorities Law, Chapter 1, Title 36 (the "Act") of the Code of Virginia of 1950, as amended (the "Virginia Code"), to issue its bonds for the purpose, among others, of financing the Plan of Finance (as hereinafter defined), located within the territorial boundaries of the City of Richmond, Virginia (the "City"); and

WHEREAS, Shockoe I Apartments VA LP (the "Borrower") has requested the Authority to agree to issue its multifamily residential rental housing revenue bonds under the Act in an amount not to exceed \$16,000,000 (the "Bonds"), the proceeds of which will be used to finance or refinance a portion of the cost of acquiring, constructing, renovating, rehabilitating and equipping a multifamily residential rental housing project consisting of two buildings containing approximately 125 units representing approximately 83,598 rentable square feet and one building to be used as a leasing office and community center to be known as Shockoe Hill I Apartments (the "Project") located at 200 and 212 Hospital Street in the City of Richmond, Virginia, including the financing of reserve funds as permitted by applicable law and the costs of issuance incurred in connection with the issuance of the Bonds (together with the Project, the "Plan of Finance") as permitted under the Act; and

WHEREAS, the Project shall be established and maintained as a "qualified residential rental project" within the meaning of Section 142(d) of the Internal Revenue Code of 1986, as amended (the "Code"); and

WHEREAS, the Borrower has indicated that it will work in good faith with the Authority to endeavor to provide certain employment and/or contracting opportunities to the residents and businesses of the neighborhoods surrounding the Project (the "Borrower's Special Commitment"); and

WHEREAS, preliminary plans for the Plan of Finance have been described to the Authority; and

WHEREAS, the Authority has determined that it is in the best interest of the Authority to issue the Bonds pursuant to the Act, in such amounts as may be necessary to finance the Plan of Finance, and in connection therewith to obtain tax credits for the Project.

NOW, THEREFORE, BE IT RESOLVED BY THE RICHMOND REDEVELOPMENT AND HOUSING AUTHORITY THAT:

1. The foregoing recitals are approved by the Authority and are incorporated in, and deemed a part of, this resolution.

2. It is hereby found and determined that the Plan of Finance will further the public purposes of the Act by assisting in providing housing to low and moderate income persons in the City.

3. It is hereby found and determined that the Project will constitute a “residential building” as that term is defined in the Act.

4. To induce the Borrower to undertake the Plan of Finance and maintain the Project as a “qualified residential rental project” within the meaning of Section 142(d) of the Code, the Authority hereby agrees, subject to approvals required by applicable law, to assist the Borrower in financing the Plan of Finance, including the financing of reserve funds as permitted by applicable law, by undertaking the issuance of (and hereby declares its official intent to issue) the Bonds upon the terms and conditions to be mutually agreed upon between the Authority and the Borrower. The Bonds shall be issued in form and pursuant to terms to be set by the Authority. The Bonds may be issued in one or more series at one time or from time to time, and the Bonds of any such series may be either taxable or tax-exempt for purposes of federal income taxation.

5. All other acts of the officers of the Authority that are in conformity with the purposes and intent of this resolution and in furtherance of the issuance and sale of the Bonds and the undertaking of the Plan of Finance are hereby ratified, approved and confirmed.

6. The Authority hereby designates McGuireWoods LLP, Tysons, Virginia, and Harrell & Chambliss LLP, Richmond, Virginia, to serve as co-bond counsel (collectively, “Bond Counsel”) and hereby appoints such firms to supervise the proceedings and approve the issuance of the Bonds.

7. The Authority hereby agrees, if requested, to accept the recommendation of the Borrower with respect to the appointment of a placement agent or underwriter for the sale of the Bonds pursuant to the terms to be mutually agreed upon.

8. The Borrower agrees to indemnify and save harmless the Authority, its officers, commissioners, employees and agents from and against all liabilities, obligations, claims, damages, penalties, losses, costs and expenses in any way connected with the issuance and sale of the Bonds.

9. All costs and expenses in connection with the financing and the Plan of Finance, including the fees and expenses of the Authority (including, without limitation, any application fee and/or origination fee), Bond Counsel, counsel for the Authority and any placement agent or underwriter for the sale of the Bonds shall be paid from the proceeds of the Bonds (but only to the extent permitted by applicable law) or by the Borrower. If for any reason such Bonds are not issued, it is understood that all such expenses shall be paid by the Borrower and that the Authority shall have no responsibility therefor.

10. The Bonds shall be limited obligations of the Authority and shall be payable solely out of revenues, receipts and payments specifically pledged therefor. Neither the commissioners, officers, agents or employees of the Authority, past, present and future, nor any person executing the Bonds, shall be liable personally on the Bonds by reason of the issuance thereof. The Bonds shall not be deemed to constitute a general obligation debt or a pledge of the faith and credit of the Commonwealth of Virginia or any political subdivision thereof, including the Authority or the City (and the Bonds shall so state on their face), and neither the Commonwealth of Virginia nor any such political subdivision thereof shall be personally liable thereon, nor in any event shall the Bonds be payable out of any funds or properties other than the special funds and sources provided therefor. Neither the faith and credit nor the taxing power of the Commonwealth of Virginia, or any political subdivision thereof, shall be pledged to the payment of the principal of the Bonds or the interest thereon or other costs incident thereto. The Bonds shall not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction.

11. The Authority (including its officers, commissioners, employees and agents) shall not be liable and hereby disclaims all liability to the Borrower and all other persons or entities for any damages, direct or consequential, resulting from the issuance of the Bonds or failure of the Authority to issue the Bonds for any reason. Any obligation of the Authority to exercise its powers in the City to issue the Bonds as requested by the Borrower is contingent upon the satisfaction of all legal requirements and the Authority shall not be liable and hereby disclaims all liability to the Borrower for any damages, direct or consequential, resulting from the Authority's failure to issue Bonds for the Plan of Finance for any reason, including but not limited to, the failure of the City Council of the City (the "City Council") to approve the issuance of the Bonds.

12. The Authority recommends that, following a public hearing (the "Public Hearing") to be held with respect to the Plan of Finance and the Bonds in accordance with Section 147(f) of the Code and Section 15.2-4906, as applicable to housing authorities, of the Virginia Code, the City Council approve the issuance of the Bonds.

13. The Secretary of the Authority is authorized and directed to deliver to the City Council (1) a reasonably detailed summary of the comments, if any, expressed at the Public Hearing, (2) a fiscal impact statement concerning the Plan of Finance and (3) a copy of this resolution.

14. The Chairman or Secretary of the Authority, or the designee of either of them, is hereby authorized to request an allocation or allocations of the State Ceiling (as defined in Section 15.2-5000 of the Virginia Code) in accordance with the applicable provisions of the Virginia Code

and any regulations or executive orders issued thereunder. All costs incurred by the Authority, if any, in connection with such proceeding shall be paid for by the Borrower.

15. No Bonds may be issued pursuant to this resolution until such time as (a) the Public Hearing has been held, (b) issuance of the Bonds has been approved by the City Council, (c) the Bonds have received an allocation or allocations of the State Ceiling in accordance with the applicable provisions of the Virginia Code and any regulations or executive orders issued thereunder, and (d) the final terms and details of the Bonds have been approved by subsequent resolution of the Authority (including, but not limited to, terms satisfactory to the Authority with respect to the Borrower's commitment to provide the Borrower's Special Commitment).

16. The approval of the issuance of the Bonds does not constitute an endorsement to a prospective purchaser of the Bonds or the creditworthiness of the Plan of Finance or of the Borrower.

17. This resolution is a Declaration of Official Intent under U.S. Treasury Regulations for purposes of Sections 103 and 141 to 150 of the Code. Based upon the representations of the Borrower, the Authority reasonably expects that certain costs of the Project may be reimbursed with the proceeds of the Bonds. The maximum principal amount of the Bonds is expected not to exceed \$16,000,000.

18. This resolution shall take effect immediately upon its adoption.

EXPLANATION: This is an inducement resolution giving the Richmond Redevelopment and Housing Authority's ("RRHA") preliminary approval to the proposed bond financing of the Shockoe Hill I Apartments. It allows the Borrower to go forward with the proposed bond financing project; however, no bonds can be issued before the Public Hearing, the City Council approval, the obtaining of volume cap allocation from the state ceiling administered by the Virginia Department of Housing and Community Development and the adoption of a final bond resolution by RRHA at a subsequent meeting which will approve the substantially final bond documents and the overall parameters of the bond issue (i.e. the principal amount, the term and the interest rate of the bonds and terms satisfactory to RRHA with respect to the Borrower's Special Commitment described in the inducement resolution).

Adopted: June 19, 2019

READ AND ADOPTED: June 19, 2019


CERTIFICATE OF VOTES

Record of the roll-call vote by the Richmond Redevelopment and Housing Authority, upon reading of a resolution titled **“INDUCEMENT RESOLUTION REGARDING THE ISSUANCE OF MULTIFAMILY HOUSING REVENUE BONDS FOR THE ACQUISITION, CONSTRUCTION, RENOVATION, REHABILITATION AND EQUIPPING OF THE APPROXIMATELY 125-UNIT SHOCKOE HILL I APARTMENTS MULTIFAMILY HOUSING FACILITY LOCATED IN THE CITY OF RICHMOND, VIRGINIA”** taken at a meeting of the Authority held on June 19, 2019:

	AYE	NAY	ABSTAIN	ABSENT
Robert J. Adams, Chairman	X			
Veronica G. Blount, Vice Chair	X			
Marilyn B. Olds	X			
Elliott M. Harrigan	X			
Samuel S. Young, Jr.	X			
Jonathan E. Coleman	X			
Robley S. Jones	X			
Heidi W. Abbott	X			
Neil S. Kessler	X			

Dated: June 19, 2019

(SEAL)



 (Vice) Chairman, Richmond Redevelopment
 and Housing Authority

ATTEST:




Secretary

The undersigned (Asst.) Secretary of the Richmond Redevelopment and Housing Authority hereby certifies that the foregoing is a true, correct, and complete copy of a Resolution adopted by the Authority’s commissioners present and voting at a meeting duly called and held on June 19, 2019, in accordance with law, and that such Resolution has not been repealed, revoked, rescinded, or amended, but is in full force and effect as of the date hereof.

WITNESS my hand and the seal of the Authority this 19th day of June, 2019.

**RICHMOND REDEVELOPMENT
AND HOUSING AUTHORITY**

By:



 (Asst.) Secretary